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## The Nation's Business

**Defining the Issues**
**Liberals on Their Record**
**Tories for Honesty, Economy and Tariff**
**Progressives Fall Down**
**Imperial Conference Coming**

EARLY in the election campaign, there is an intense struggle to define the issues around which the battle will be fought. Ex-Premier King is bringing into play all the forces, political or rhetorical, at his command so to direct the campaign that it will centre in the issue of the constitutional relations of Canada and the Empire. The Liberal press, with a few notable exceptions, is sparing no effort to make the campaign revolve around the question of whether or not Canada shall be a self-governing nation. The issue is one that would at any time have a strong appeal to King, always more interested in argument than action, and imbued by ancestral tradition with an instinctive sensitiveness to Constitutional niceties. Especially does the issue appeal to King now, when outstanding constitutional "reformers," such as John S. Ewart and John W. Dafoe, are inspiring and directing utterances and actions of many Liberals and Progressives.

To some sincere Liberals, the constitutional question is not one touching only Canada's independence but one affecting Canada's unity and Canada's place in the Empire. They feel that Byng's actions will give weight to the organized and unorganized forces seeking Canada's independence or annexation to the United States and they feel, that in contesting the governor-general's viewpoint, they are protesting a policy that gives a weapon to the secessionists.

By Conservatives, though, the Liberal effort to make self-government the key-note of the election campaign is regarded as an attempt to make enough noise on that point to drown out issues that Liberals would fain avoid, the customs scandal, for instance, where the personal responsibility of King, the unfortunate defence of the scandal by Dunning and the fall in public estimation of one of the keenest of the party leaders, Boivin, have been factors that have definitely swung many Liberals from their party.

* * *

WHILE the Liberal leaders and the Liberal press, are pressing the question of constitutional reform to the front, the Conservative chieftains are maintaining an attitude of reserve. True, they have issued statements to show their belief that the King move is camouflage; to defend the action of the governor-general and to chaff the badly confused Progressives for their unsophisticated lack of decision in the few days that saw the end of Parliament and the downfall of Meighen's brand-new government, when the western group found itself unable to decide upon a course of action and jumped on the sudden arrival of the Dafoe-Sifton delegation, from the Meighen pillar, to the King post.

But it is significant that Meighen has kept out of the controversy and having Hon. Hugh Guthrie answer King's manifesto was a deliberate move to stamp the fuss over constitutional reform as unworthy of answer from the head of the government.

The Conservative campaign will be fought on two clearly defined issues. Such an abstruse question as constitutional relations will be avoided. Tory chieftains feel that the self-government question will talk itself out of public interest and be as dead as crossword puzzles before the campaign is half over.

* * *

THE two planks in the Conservative platform will be competent administration and higher tariff. In this respect, the platform will differ from that of the last campaign, when the tariff alone was made an issue.

Competent administration is a broad term and will have two chief phases in the Conservative campaign. First will be the question of honest administration, and the revelations of the customs inquiry will be gone over at length. Then there will be the second phase of economical administration and a Coolidge-Mellon type

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### Sales of Scales Show Big Crop is Expected

A leading manufacturer of scales for farm and grain use reports to The Financial Post that the demand for scales for use in elevators in Western Canada is greater this year than ever before. The number of scales marketed in the West this year makes a record not yet exceeded. There is probably no better indication of prospects for increased grain production in the West this year since the elevator interests are closer to the actual situation in a large way than anyone else. Assuming continued favorable weather, there will be a bumper crop again this year.

## Courts Asked to Preserve Dividend Rights Holders of Steamships Preferred

### Protest Declares That Arrears Can be Paid in Few Years

### A BASIC PRINCIPLE

### Main Point of Contention is That Preferred Arrears Should be Paid Ahead of Anything on Common

What may be regarded as a basis or constitutional right of preferred stock holders is involved in the proposed financial reorganization of Canada Steamships, Ltd., by which preferred shares are to be given in lieu of dividend arrears of $35 a share. Declaring that all the proceedings of the meeting of June 9th, at which the proposal was passed by 75 per cent. of the preferred holders were illegal, James P. Steedman, who is a holder of 2,309 shares and who represents other shareholders in Hamilton, has filed a contestation against the scheme. The action taken by Mr. Steedman is the Superior court is based upon the ground that the plan is grossly unfair to the preference shareholders and that there is no necessity to extinguish the $35 arrears of dividends due on the shares.

On behalf of himself and other shareholders Mr. Steedman contends that the proposal is a violation of the preferred stock contract, which is that interest shall be paid on such stock ahead of common shares. Preferred shares, he points out, are usually bought by investors for their full face value. The assurance of the regular dividends is the basis of the price. Common shares usually represent water. If then, he submits, the conditions of the preferred dividends may be altered, the position of the holders of all preferred shares is jeopardized. It is on this point that the attitude of the courts—if the matter comes to trial—will be awaited with a great deal of interest.

**Sees Profits Ahead**

Mr. Steedman, who is an old shipping man, expresses his conviction that the outlook for Canada Steamships is now very favorable. He sees no reason why in the next four years the arrears on the preferred shares cannot be paid off and then there will be something for the common. In the meantime he holds that the common shareholders should be willing to wait—as they have waited under similar circumstances in other companies. He makes another point; it is that the payment of the dividend arrears in stock will be regarded by the income tax department as a distribution in money and will be subject to levy even though it does not bring the holder any actual immediate revenue.

The strong argument for the proposal submitted at the meeting at which it was passed was that because of the dividend liability on the preferred the company was not in a position to secure additional capital which could be used to advantage in the company. On this point, Mr. Steedman and his associates are willing to agree with the directors, but it is suggested that the preferred liability can be disposed of in some way and at the same time guarantees given that the full arrears on the preferred shares will be paid up before any distribution is made to the common shareholders. It is believed that some arrangement may yet be worked out along this line rather than face the delays of a lengthy court inquiry.

**Better Results Claimed**

The petition to the court asking for intervention reviews the whole situation at length from the standpoint of Mr. Steedman and other shareholders petitioning. It is denied that the net earnings of the company for the four years over which preferred dividends have accumulated were in accordance with the statement made and it is averred that the results shown "have been obtained by gross manipulation of accounts and in particular by unwarranted and unnecessary writing down of the assets." It is averred also that the actual net earnings during the four year period were amply sufficient to have provided for the preferred dividends and in particular "the net earnings were not needed for the sinking fund requirements, in payment of funded indebtedness, improvement and betterments and working capital," as alleged.

**Paid Up By 1930?**

It is further averred that there is every fair and reasonable prospect that on or before the end of 1930 all preferred arrears can be liquidated in addition to current dividends, and that the company is in a position to pay over 50 per cent. of the preferred arrears.

The point is also made that:

With reference to the funding of the loans in connection with such purchase and the retirement of petitioner's present 7 per cent. bonds aggregating $5,000,000, Intervenant alleges that the same has already been provided for by an arrangement between the petitioner and

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**Directors Adhere to Plan**

MONTREAL.—Following the action of 75 per cent. of the preferred shareholders in favoring the plan to discharge dividend obligations of $35 per share on the senior stock, the directors of Canada Steamships have applied to the courts for an order to allow the compromise to go into effect. This follows the filing of an application in the Superior Court on behalf of J. P. Steedman, a former director of the company, and other shareholders, for an intervention to prevent the plan from being put into effect.

## ADVANTAGES OF PAGE-HERSEY'S NEW FINANCING

### Statement on Re-organization by President W. W. Near

In connection with the recent financial reorganization of Page-Hersey Tubes, Ltd., the point has been raised as to the practical effect on the company and the position of the shareholders of the adoption of the plan. Answering questions in this connection, W. W. Near, president and managing director of the Company, explains to The Financial Post that there were two main objects in view in the reorganization—the first being to have a wider distribution of the company's shares, particularly amongst buyers and users of its products, and the second to enhance the scope of its operations.

Mr. Near points out that during the war, owing to the difficulty of securing raw materials, the company took over the properties of the Cohoes Rolling Mill Co., at Cohoes, N.Y., and drew its supplies of skelp from that source throughout the entire period of the war. Since that time the Cohoes works have been engaged in the manufacture of wrought iron pipe for sale in the United States. Also recently there has been manufactured rigid conduit for sale likewise in the United States under the name of Mohawk Conduit Co., Inc. These increased facilities will largely help the company from an operating standpoint and in addition will reduce the amount to be paid in interest, sinking fund, and dividends on the senior securities as against the amount of dividends disbursed in the old company.

## German Twine is Cutting Profits of Brantford Cordage

According to a statement made to The Financial Post, by C. L. Messecar, president Brantford Cordage Company, the company's three mills have been operating continually ten hours a day or fifty-nine hours per week throughout the year and, notwithstanding the addition of the No. 3 mill from which full production is now being secured, it has again been found necessary to operate overtime. Thus in point of volume of business the output for the season of 1926 will undoubtedly be the largest in the company's history.

With regard to profits on the present year's business, Mr. Messecar points out that it is yet too early to make any accurate forecast. As indicated, the volume of business is satisfactory, but prices have been somewhat depressed and demoralized by competition, particularly from Germany and Holland.

### Book Values Don't Count When Earnings Abnormal

It is common practice in investment circles to talk about the "book values" of a stock. The book value of a stock is the amount of money that would be available for that stock if all the assets were liquidated at the value shown in the balance sheet and prior obligations as shown in the balance sheet met.

But "book values" have to be considered in relation to earning power and other factors and often earning power is a more important point than book value.

Two companies will serve to show how little book value counts in determining the market value of a stock, when the earning power is either exceptionally high or exceptionally low. Loblaw's common stock has a book value, according to the report just out, of about $4 a share. It is selling at $29 because the company's earning power is immense. British Empire Steel second preferred has a book value of about $180 a share. It can be bought for $1.50 a share. Besco's earning power is, under present conditions, nil.

## *Wise and Foolish Spending*

LA PATRIE, Montreal, is critical of the lack of sympathy shown by several members of parliament with the St. Lawrence route, to which the Quebec Chronicle-Telegraph responds:

> "The importance of maintaining the efficiency of the St. Lawrence cannot be questioned, but there is a possible danger, at least, in going to the length that La Patrie recommends. Aid of this kind granted to one section of the country is made the excuse for demands by other sections, with the result that premature development takes place."

The Chronicle-Telegraph is a paper that usually gives a business leadership to its readers that is encouraging. Canada has been over-developed by public aid in its canal and railway transportation as well as in some of its state-aided industries. An investigation by experts some time ago of one of the latter on behalf of certain investors, developed an adverse report on the ground that while the industry was sound it was a generation ahead of the times. Some of our developments are more in the interest of foreign countries than our own. There is a growing feeling that the recent enlargement of the Welland Canal was inspired more by Buffalo wire-pulling interests than by national Canadian interests. Canada would have been much better off if it had spent that money in enlarging the Upper St. Lawrence system than in spending money to lower rates at which Canadian grain can be delivered to American interests at Buffalo.

## All Besco's Securities Except First Mortgage Bonds Will Be Reduced

### Believed to be Only Way of Holding Steel and Coal Plants Together in One Big Industrial Unit

### RECEIVER'S REPRESENTATIVES ON THE JOB

From Our Own Correspondent.

MONTREAL.—From the remarks of Roy M. Wolvin, the president of the Corporation at the annual meeting of Besco it is possible to glean perhaps a little light on the possible course of the forth-coming reorganization plans; for Mr. Wolvin said that, failing an out and out co-operation on the part of the holders of the various classes of securities, the coal and steel industries in Nova Scotia must part company.

But this seems impossible. The steel industry is really only an outgrowth of coal mining in that province. The steel plants are primarily intended to utilize coals from the mines; in other words, the mines can sell coals cheaply to the mills, possibly at cost or below cost, and thus reduce overhead costs. In fact it is understood that during the last few years, the only thing which has kept the Dominion Iron and Steel alive is the Dominion Coal Company. Thus, should the coal and steel properties which are now components of the corporation become separate entities there appears the more than grave danger that there will be no steel industry in Nova Scotia, or if Besco's re-organization plans are not accepted by all classes of security holders, or if some other plan is not worked, the workers in the steel mills will be forced to migrate either to the States or to other sections of Canada.

**Take Junior Securities**

Therefore, it seems very probable that the holders of some of the Dominion Iron and Nova Scotia Steel bonds—more especially the junior mortgages—will be forced to be satisfied with very junior securities in the forthcoming reorganization, in order to ensure the continuance of the steel industry and also to prevent both companies being acquired by the holders of the first mortgage bonds.

This would mean that the consolidated mortgage bonds of Dominion Iron and the debenture stock of Nova Scotia Steel will probably be turned into preferred stock of some sort. Indeed it is even possible that the first mortgage bond holders of both companies may have to accept junior securities which have no mortgage as a security; though with the first mortgage bonds of the Dominion Iron it is thought that Newfoundland iron ore properties of this company have a sufficient earning power to assure no loss to holders of these bonds.

**Better Sticking Together**

In any event, what evidence is available seems to point to the fact that in view of the present economic conditions in the steel and coal industry, the various components of Besco will fare better by remaining under one directing head than by splitting up and operating individually. Especially is this true in the steel mills.

At the annual meeting of the corporation there were several who took the opportunity of censuring the management; at first it appeared from the loud applause that the shareholders present were entirely antagonistic to the management and all its works, but later it turned out that at least half of those present believed that Besco has been up against economic, rather than merchandising or managerial ills.

Representing the holders of some of the Nova Scotia Steel and Coal securities, D. C. Sinclair, of New Glasgow, started a red hot attack on the president.

Mr. Sinclair contended that the shareholders should know the contents of the Coverdale report; that the report should have been known to the government; that the management erred in carrying on a campaign of threat; asking governmental assistance to save the industry; that some form of re-organization should have been formulated and that the management had never carried out a policy of frankness; this had resulted in many of its troubles.

**Coverdale Report as a Guide**

In replying to these charges, which brought out some applause, Mr. Wolvin stated that the directors felt that the publication of the report at the present

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**A Suicidal Policy**

MONTREAL. — Regarding the crisis in Besco affairs, O'Brien and Williams say: "The Dominion Iron and Steel Co. has gone into the hands of a receiver. This is one of Canada's greatest industries. United States Steel was never more prosperous and the stock is selling over 141. Surely our friends will forgive us if we utter a daily protest over Canada's suicidal tariff policy."

## Western Grocers Now Experiencing Better Business

The volume of business this year of Western Grocers, Ltd., is somewhat ahead of last year and in a letter to The Financial Post, W. P. Riley, says that the prospects for increased business during the latter half of the year are certainly encouraging. The farmers of Western Canada have bettered their position very materially during the last year or so; this has resulted in very much improved conditions with the retail merchants and they are paying their bills much more promptly than they have for a number of years. As a matter of fact, says Mr. Riley, collections with Western Grocers are good and money is coming in without much pressure—never before in the history of the company have collections been in as good shape as they are at the present time.

Western Grocers is in a much better position to handle business to advantage following its capital reorganization. The company could do an increased volume of business to advantage but this will probably not accrue in any large measure until there have been some consolidations in the wholesale grocery world worked out as there are still too many wholesale grocers to handle the present volume, it is felt.

### St. Lawrence Proxies Pour in to Cameron

From Our Own Correspondent

MONTREAL.—The principal development in the St. Lawrence Paper Mills Company fracas is the fact that proxies for the next annual meeting are pouring in to J. A. H. Cameron, K.C., he is acting on behalf of a large group of shareholders who feel that there are certain matters, both in connection with the actual operation of the company, and in the peculiar market action of its stock which call for action. About two weeks ago, Mr. Cameron issued a call for proxies to the stockholders and at that time informed them of some of the causes for his action.

It seems safe to anticipate that at the annual meeting which is to be held next autumn that the management will find that the insurgents have obtained a very strong backing of shareholders and that probably the strength of the opposition will force the management to grant them some form of recognition—probably representation on the board of directors. As yet, the number of proxies held by the opposition has not been announced.

It will be recalled that the letter asking for proxies pointed out that there were many sinister rumors in circulation and that T. Williamson, who was recently president and is now vice-president and managing director of the company, owned only 50 shares—a condition, which to say the least, many shareholders regard as peculiar.

**ABITIBI BREAKS RECORD**

MONTREAL.—The newsprint mill of the Abitibi Power and Paper Company seems to be constantly shattering production records. This month the mill produced in one day 552.5 tons of newsprint.

## PENMANS STOCK IS LIKELY TO BE SPLIT NEXT FALL

### Three Shares for One With Four Per Cent. Being Talked of

### BOND ISSUE IS DUE

### Additional Stock May be Sold From Treasury to Create Funds to Meet This Obligation

From Our Own Correspondent.

MONTREAL.—There is apparently no doubt that when the bonds of Penmans fall due next November, the company will seize the opportunity to effect a reconstruction of its present capital structure—in other words, the long looked for split in the common stock will take place next fall.

One school of thought holds that, when the time comes, the company will sell to present shareholders the remaining $349,400 par value of common stock which still remains in the treasury; then the common shares will be split up three for one and the new stock will pay dividends of 4 per cent. This would amount to an increase of 2 per cent. annually on the present scale of disbursement. Penmans at present pays 8 with a bonus of 2 per cent.

While The Financial Post learns authoritatively that the split will take place, yet it learns from the same source that no details of the plan have been decided by the management.

On the other hand, the foregoing split up looks reasonable, for on November 1, the company has maturing $2,000,000 in bonds. These constitute the sole liability senior to the preferred shares. To meet this obligation, the company could either sell a refunding issue or it might finance the retirement from working capital.

The sale of the remaining treasury stock would provide at least $600,000 which, added to the investments and cash on hand, would provide over $1,000,000 in cash. The remainder might easily be borrowed from the bank on the security of its working capital which, over the past five years, has always been well in excess of $3,000,000.

Again, the company has almost $500,000 of preferred shares in the treasury; these might be sold and thus to completely wipe the mortgage debt off the balance sheet, only a minor bank indebtedness need be incurred.

### Smuggling-Closed Factory is Reopened

OTTAWA.—A local clothing factory which has been shut down for the past two years owing to competition with smuggled prison-made goods, resumed operations this week. Employment will be given to a goodly number. There is a feeling that with Mr. Stevens as Minister of Customs regulations will be strictly enforced.

### Crop Conditions Continue Generally Very Favorable

MONTREAL. — Advices to Bank of Montreal say Prairie Provinces crop prospects continue generally favorable. Wheat is generally in shot blade and heading out in some places. In Ontario weather conditions of the past fortnight have been ideal, all crops showing improvement. In Quebec warm weather has assisted in overcoming late spring, but cereals still backward. In the Maritimes crops are doing well, weather being favorable.

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# The Trend of Business and Industry

**Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.**

## The Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

### Good Business Expected During Second Half-year
### Buying Power Increases Due to Shortages
### Steel Industries Get Small Orders
### Increasing Bank Loans Reflect Greater Activity

Much speculation exists at the moment both in Canada and the United States with regard to the probable trend of business events during the second half-year. It is without argument that buying power during the first six months was in excess of that of previous years, for some time. Will this continue during the coming six months?

The increase in buying power is due to shortages in certain types of capital equipment which have existed since the depth of the depression period. There were shortages in building and machinery. Improvement in municipal and public utility undertakings had not kept pace with our natural growth. Economies had been introduced on a large scale, and it is only recently as available funds had accumulated, that progress has been made in the catching up process. This is seen in the huge increase in building and the unprecedented sales of automobiles and certain classes of equipment. MacLean Building Review states that the first six months of the year showed definite indications that 1926 will be the largest building year that Canada has had in more than a decade. The unusually large total of $194,543,600 for the period, and contemplated new work to a value of $304,598,500 forecasts great activity during the balance of the year. There is no indication that the building program has been overdone or even caught up. These shortages indicated, along with a general increase in funds in circulation, have resulted in increased activity and increasing prosperity. That agriculture and most of the other branches of industry are yielding larger revenues than a year or two ago is a vitally important fact, but unless there was increased demand arising from some shortage, this would simply mean increased bank deposits and not increased loans. Such has been the case until a few weeks ago when loans began to increase, indicating reviving business. These factors, therefore, point to increased business activity during the second half-year, assuming the availability of funds, and this depends largely on the materialization of present crop prospects.

#### Steel Industries Are Quiet

New business entered in June on the books of the iron and steel companies is stated to have exceeded that of May, but production has shown no increase and the tendency at present is downward. In Eastern Canada competition from abroad is keen. One dealer now selling No. 1 foundry iron at $28.70 has to meet much lower quotations from foreign producers.

Some substantial orders have been received recently. The Algoma Steel Corporation has received an additional order for 10,800 tons of rails from the Canadian Pacific Railway for immediate rolling. This makes the total order from that source 26,800 tons. The Hamilton Bridge Works Company and the Manitoba Bridge and Iron Works have both received sizeable orders recently. Considerable progress has already been made on the Toronto terminal warehouse and it has been announced that the Montreal Rail and Harbor Terminals will erect a similar building there. Nearly all of the motor car plants are stated to be operating near capacity. Summer activity is stronger than usual.

Naturally the political situation has cast a certain cloud of uncertainty over business, but it seems to be the general impression that the effect of this is less than was expected. Unprecedented tourist traffic at this time of year is doing much to help retail business which, in most sections of the country, is reported satisfactory.

### No Decline Expected in United States Business

It becomes increasingly clear that the record of American trade and industry for the half-year will be found to compare favorably with that of any similar period in history, states the current issue of the Guaranty Survey, published by the Guaranty Trust Co. of New York.

In a number of important branches new high records have been established, and in nearly all a considerable degree of stability at high levels has been maintained. Recent developments have served to emphasize the fact that the recession in business activity since the early part of the year has not only proceeded in an orderly manner, but that it has been distinctly moderate in degree.

In most respects the current movement is comparable with that of the spring and summer of last year. Since 1923 these declines in activity, extending from early spring to late summer, have occurred with such regularity that they have come to be regarded as largely seasonal in character.

The usual indices of general business volumes show that both production and distribution have run considerably above the levels of a year ago.

The increasing firmness of commodity prices, first apparent in April, developed into a definite upturn during May and has continued in recent weeks. The movement of prices suggests a degree of business confidence which, in its bearing on the immediate future, is decidedly encouraging. While it must be recognized that for some weeks seasonal influences will tend to produce further moderate curtailment in a number of important lines, the temper of the business community is by no means such as to warrant the expectation of any drastic or prolonged decline in general activity.

With inventories low, commodity stocks moderate and money easy there is none of the unsettling factors which usually precede a period of serious business depression in the present situation.

### Larger Quantity of Hardware Goods Sold

With the first half of the year completed there is every reason to feel that hardware business in Canada has moved to a higher level in respect to actual sales than during the first half of the past year. Conditions are encouraging in respect to retail business in this line, for while it is doubtless true that considerable business has been lost during the spring months, that will not now materialize, there are nevertheless indications that the summer months will be bettter than usual and that the trade will be carried well into the good fall business months, with considerable of a surplus over the former year. Better business conditions in the hardware trade are reflected in the substantial increase in building contracts for the first four months of this year, which, for the entire Dominion, show a gain of 43 per cent. over the same period of 1925, says Hardware and Metal.

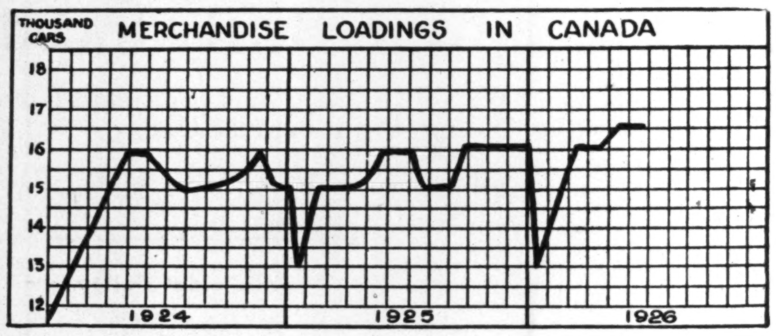
## Shipments of Merchandise Touching New High Levels

### Decided Upswing Since Beginning of Year—Present Levels Highest in Some Years

Car loadings of merchandise on the Canadian railways have reached the highest point for some years. They rose steadily during the first half year, and June shows an average of more than 17,000 cars for each of the four weeks of the month. The chart presented shows the average weekly loadings for each month.

Merchandise loadings is an accurate index of the volume of business. Unlike shipments of grain, minerals, and other seasonal products, its dependability is not jeopardized by irregular fluctuations. There is a fairly fixed trend—low at the first of the year—rising until June—falling during mid-summer—rising to a peak in the fall and again dropping for the balance of the year. In other words, there are two high points each calendar year. The steady up-trend during the first half-year is similar to the 1924 movement, but the June peak, if it proves to be the peak, is more than 1,000 cars higher. This reflects a greater absorption of consumption goods due to generally increased purchasing power.

Taking total car loadings, the increase of 1926 over previous years is still more marked than is the figure for merchandise loadings, and this would seem to indicate the maintenance of a higher level of merchandise loadings during the second half-year since the latter reflect buying power previously accumulated.



## SASKATCHEWAN POOL CONTRACT IS UPHELD

### Damages Are Allowed in Regard to Wheat Sold Without Regard to Agreement

REGINA.—The appeal of the Saskatchewan Wheat Pool against the judgment of Mr. Justice Embury, dismissing the action brought by the Wheat Pool against Leon R. Zurowski, Southey, to recover damages for breach of contract, was unanimously upheld with costs by the Saskatchewan Court of Appeal. Damages are allowed in the sum of $397.50, being the total of 25 cents a bushel on the grain sold outside the Pool by Zurowski.

Zurowski sold 1,500 bushels of wheat through another company although under contract to sell all his wheat through the Pool or its agencies. The action brought against him by the Pool was dismissed in the lower court and the Pool contract was declared invalid on the ground that the Pool had failed to notify Zurowski that his application for membership had been accepted.

This decision is reversed in the judgment of the Court of Appeal which holds that the contracts between the Saskatchewan Wheat Pool and its members are valid and binding.

Separate judgments were handed down by Mr. Justice Lamont, Mr. Justice Turgeon and Mr. Justice Martin. Chief Justice Sir Frederick Haultain and Mr. Justice McKay concurred in the judgment of Mr. Justice Lamont.

### Business Recession Not Seen in Railways' Gross

**From Our Own Correspondent.**

MONTREAL.—During the last month or two there may have been a slight slackening up of business generally in Canada, but the gross earnings of both railroads during the month of June give no indication of this and show large increases.

Traffic earnings of the C. P. R. during the month amounted to $14,850,000, an increase of over $2,000,000 as compared with June last year. The gross of the Canadian National Railways amounted to $22,302,969, an increase of well over $4,000,000, as compared with June of last year.

Railway earnings are a fairly reliable index of trade conditions, yet as far as actual business activities in the Dominion are concerned, other factors must be taken into consideration also, for the increased earnings might entirely be due to increased agricultural, mineral and timber, or timber product, shipments.

### Fish Catch Largest In Past Five Years

The total value of fish produced in Canada during 1925 was $47,926,802 against $44,534,235 in 1924. These values represent fish marketed whether fresh, canned or cured. The value for 1925 is the largest recorded for any one of the past five years, and exceeds the average for the five years by more than $5,000,000 or 13 per cent. Salmon led the list at $15,760,630; cod was second with $6,232,821; lobsters, $5,552,977; halibut, $4,185,391; herring, $3,117,841, etc.

### Livestock Bring Higher Revenue for Half-Year

Sales of livestock, with the exception of hogs, show a substantial advance over those of the same time last year. Cattle sales in the leading Canadian markets were 381,560 against 346,135 first half of 1925. Calves sold totalled 162,525 against 154,440. Sales of sheep amounted to 59,041 compared with 56,497, and hogs marketed fell off from 727,021 to 528,999. Ruling prices are in nearly all cases above those of a year ago so that the revenue from this source has exceeded that of the first half of 1925 by a wide margin.

### Building Materials Show Reduction in Prices

Building material costs are falling off sharply. The index number of 32 standard building materials prepared by the Dominion Bureau of Statistics, has dropped from the 1925 average of 153 to 148 for May. The materials which were chiefly responsible for the change are: laths, shingles and other lumber; window glass, lead pipe, cement, white lead, shellac and linseed oil. Demand for building materials is still keen, and the building program in most of the Canadian cities promises to remain on a high scale for the balance of the year.

#### COMMODITY PRICES RECEDE

The Dominion Bureau of Statistics index number of 236 commodity prices fell 1.3 points in June, being 155.7 as compared with 157. last month. While four of the main groups moved upward, declines in three groups, and especially in the vegetable products group, were sufficient to send the whole group downward. Of the total, 52 price quotations were higher, 37 were lower and 147 were unchanged. This is only about two points lower than a year ago.

## Canadian Business Indicators

### INDUSTRIAL

**Car Loadings—**

| | 1926 | 1925 |
|---|---|---|
| Week June 26 | 63,877 | 53,208+20 % |
| Yr. to date | 1,428,888 | 1,277,841+11.8% |

**Grain Receipts—**

| | | |
|---|---|---|
| Aug. 1 to June 25 | 383,636,470 | 245.990,443+55.9% |

**Building—Permits in 50 Cities**

| | | |
|---|---|---|
| 5 months | $58,604,178 | $48.128,741+21.7% |

**Railway Earnings—**

| 5 Months— | 1926 | 1925 |
|---|---|---|
| C. P. R. | $69,693,817 | $ 61,691,172+12.9% |
| Oper. Exp. | 58,564,234 | 55,477,977+ 5.5% |
| Net | 11,129,583 | 6,213,195+79.1% |
| C. N. R. | $98,685,109 | $ 87,339,081+12.9% |
| Oper. Exp. | 85,769,526 | 83,164,359+ 3.1% |
| Net | 12,915,582 | 4,174,721+209.3 |

**Pig Iron Output—tons**

| May, 1926 | Apr. 1926 | May, 1925. |
|---|---|---|
| 72,762 | 67,607 | 63,204 tons |

### FINANCIAL

**Bank Clearings—**

| | 1926 | 1925 |
|---|---|---|
| June | $1,463,784,765 | $1,236,290,649+18.4% |

**Savings Deposits—Chart. Banks—**

| | | |
|---|---|---|
| April | $1,340,450,250 | $1,263,964,473+6% |

**Current Loans—By Banks—**

| | | |
|---|---|---|
| April | 930,964,621 | 909,360,244+ 2.3% |

### COMMERCIAL

**Balance of Trade—12 mo., May 31**

| 12 months, May 31— | 1926 | 1925 |
|---|---|---|
| Exports | $1,310,446,958 | 1,072,301,848+22.2% |
| Imports | 946,257,055 | 799,700,249+18.3% |
| Balance | 364,189.903 | 272,601,599+33.6% |

**Wheat, No. 1 Nor., Winnipeg—**

| 1926 | 1925 |
|---|---|
| July 5 $1.54 | July (Av.) $1.62 |

**Cattle—Good, Toronto**

| | |
|---|---|
| July 5 $8.40 | July (Av.) $7.34 |

**Hogs—Select, Toronto**

| | |
|---|---|
| July 5 $15.25 | July (Av.) $13.85 |

### Decline in Output And Imports of Coal

In 1925 Canada produced 13,134,968 tons of coal valued at $49,261,951, a decrease of 3.5 per cent. in quantity and eight per cent. in value, according to a report issued by the Dominion Bureau of Statistics. There were 16,832,435 tons of coal, all grades, imported in 1925, as against 16,828,578 tons brought in during the previous year. Exports amounted to 785,910 tons during 1925, as compared with 773,246 tons in 1924. Production and imports added and exports deducted 29,181,493 tons of coal were made available for consumption. The actual consumption, however, was 28,457,261 tons or 3,039 tons per capita.

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# CROPS NOW LOOK FAVORABLE IN ALL PARTS OF CANADA

## Bumper Crop is Expected if Present Favorable Conditions Continue

Crop conditions over the greater area of the Prairie Provinces continue to show satisfactory progress, and the prospects are still exceptionally bright. Climatic conditions were slightly unsatisfactory in many sections, but they helped to break down the cutworm pest. Generous rains have been almost general especially in the central areas of the three provinces, and moisture is now abundant. Both fruit and grain crops are making satisfactory progress in British Columbia. Eastern Canada, although still late, is making favorable crop progress.

If present conditions continue a few weeks longer, the West will have another bumper crop. Wheat is beginning to head in Manitoba and is in the shot blade in most sections of Saskatchewan and Alberta. The cutworms are almost entirely banished, and the net damage done by them is small. Some damage was done through soil drifting during recent weeks, but the crops are now beyond that stage. The Saskatchewan Department of Agriculture reports that crops look promising in all parts of the province. Coarse grains are doing well, especially since the advent of warmer weather which followed a long, cool period. Some evidences of drought exist in the south-west sections, and there has been some little damage from drifting. In Alberta, the situation is generally satisfactory. The southern sections suffered severely from drought in localized areas, but recent rains have mended this situation almost completely. Summer fallow and late crops are in good condition. Indications in the northern districts are for an early harvest, and the outlook there is better than has been the case for some years.

Harm done to the winter crops in Ontario has been much more severe than for some years. All crops are late, but with the exception of those requiring more heat, are making satisfactory progress. Showers of the past three weeks have been very beneficial. Winter wheat is patchy owing to winter injury, but is coming out in head and doing well. Spring grains are late but are on the average promising. Alfalfa suffered less than other winter crops. Injury is estimated at from 12 to 15 per cent. The first cutting will not be heavy, but a satisfactory yield will be realized. Cutting has commenced in south-western and central counties.

Seeding throughout Quebec was delayed from two to three weeks on account of late snow and cool weather, but sowing has now been completed even in the most backward areas. Meadows and pastures have been promising and the hay crop is expected to be heavy.

In the Maritime Provinces the season is late by nearly a month and nothing can yet be said with regard to the condition of the crops. Recent warm weather and abundant rains, however, have helped the outlook quite materially. Early seeding at this date looks favorable in all three provinces.

# BRITISH STRIKE A COMPLETE FAILURE

## General Federation of British Trade Unions Sees All Losses and No Gains

LONDON.—That the British strike was a complete failure is now generally conceded. William A. Appleton, secretary of the General Federation of British Trade Unions, gave out the folowing statement to the International News Service:

The general strike is over. It has failed in all its objectives.

It has neither broken the government nor terrorized the people, nor helped the miners.

On the contrary, it has damaged their present position and future prospects.

The only way to help the miners is to assist them to recover old markets and discover new ones. Their chances in this direction have been badly handicapped.

The strike has been an expression of economic ignorance and brutally careless personal egotism. It wasn't a sudden ebulition. It had been carefully prepared over all the months the coal subsidy had been running. Special schemes for dislocating the public services were laid before members of some unions on the Sunday preceding the strike.

These schemes took months of elaborate planning, but they collapsed.

The effects of the general strike will continue for a long time. Among these effects may be attempts by the employers to enforce reductions in wages. There will be higher prices and higher taxation and increased danger of unemployment. Whatever may be the intentions of the government dealing with the miners and behind its attempts to relieve their situation the fact remains that owing to disturbances to trade many thousands of miners will be compelled to seek other occupations because the mines which cannot be economically worked will be closed.

Everybody will suffer. Those who suffer least will be those who actually promoted the strike, and those who suffer most will be the poorest classes who will be forced by an increased cost of living to aid the producers in meeting the increases in taxation.

Many of the strikers will be sadly disappointed. They had been assured that victory was certain. In some cases they were told the strike could not last more than 24 hours. They have found that it has lasted more than a week. It is quite certain that many thousands will never get their jobs back again, and many employers will be tempted to promote the open shop.

### Canada Has Cheapest Land Offering the Highest Yields

LONDON.—Speaking at the annual meeting of the Hudson's Bay company Charles Vincent Sale, governor, in referring to the heavy taxation of the company, reminded the proprietors that it had been charged to capital receipts in respect of land. Consequently 2,819,000 acres, which still remained in possession of the Hudson's Bay company, were an entirely free asset.

The governor pointed out that the present price of land in the prairie provinces of Canada was lower than that of similar land in any other part of North America, despite the fact that the average tax on farm land was lower in Canada than in the United States and the average yield of spring wheat was high. Available figures suggested that the price of farm lands in Canada were as low as they ever would be, he continued. Here, then, was the great inducement which Canada offered to the immigrant farmer—the cheapest land with the highest yield in the North American continent.

# B. C. Stands Four Square for the Australian Pact

## Vancouver Business Interests Declare That the Treaty is in Danger and That the Terms Should Be Observed

VANCOUVER.—British Columbia stands four-square for the maintenance of the Australian treaty and the strict observance of its terms, according to views expressed at a meeting of manufacturing, importing, distributing, financial and shipping interests when the guest of the occasion was W. C. F. Thomas, president of the Dried Fruits Board of Australia. It was urged that action should be taken by the manufacturers and the Board of Trade to have the views of the meeting presented to the government at Ottawa, and this will be done.

Mr. Thomas is on his way to Ottawa to try and smooth out difficulties that exist between Canada and Australia in regard to the operations of the treaty, being specially delegated to that task by Premier Bruce. Commercial men in Vancouver who are in close touch with Australian viewpoint are aware that the feeling against Canada over the manner of the treaty enforcement is so keen that the whole preferential pact is in danger of being voided.

It was with the view of enabling the Australian representative to get first-hand opinion of the real sentiment of British Columbia business interests that the meeting was called and after an hour of discussion there was no doubt left in the mind of Mr. Thomas that Vancouver business interests favored a strict observance of the treaty.

"British Columbia stands four-square for the maintenance and strictest observance of the treaty terms," declared F. E. Burke, former president, of the B. C. division of the Canadian Manufacturers' Association, and now president of the Vancouver Board of Trade.

### Canada's Attitude Criticized

Imposition by the Canadian Government of a dump duty on Australian butter and the passing of an order-in-council permitting importation of Australian raisins and other dried fruits via London, under the preferential treaty agreement, were the two main grounds of resentment in Australia towards Canada's observance of the treaty, said Mr. Thomas.

The Australian federal government did not contribute a cent towards the system of bonusing butter that was exported, he explained. It was an arrangement by the producers, who contributed three cents for every pound of butter manufactured towards a common fund from which six cents per pound was taken to subsidize exports.

Australians knew that they could not expect to export butter to Canada when Canada had adequate supplies of her own, but when there was a scarcity in Canada, such as existed this year, Australia was entitled to expect that particular Canadian trade under the treaty terms.

### Reasons for Imports

"If the Canadian Government imposed the dump on the ground that the Australian government subsidized the butter exports, it was wrong, and under the treaty arrangement no dump should be exacted on Australian imports to Canada," Mr. Thomas contended.

Butter dealers in Vancouver explained that the reason for importation from Australia was because of the extraordinary heavy shipments of Canadian butter, even during the high price season, to London. They even had to buy back some of the butter they sold, it was explained, and pay more of it.

There was never so much butter produced in Canada as last year, and with the exception of one year during the war there were never so high prices secured. Canadian producers benefited from the export situation and even some of the creameries on the prairies, feeling the pinch, urged the importation of Australian supplies, and used it when it came in because of local shortage.

"The butter was bought in Australia from old-established export houses and in all good faith under the terms of the treaty," said W. J. Blake Wilson, "and it was only after most of it was sold that announcement was made that a dump was to be charged. There was heavy loss to importers, but to my mind that was insignificant compared with the failure on the part of Canada to live up to its treaty contract. Canada made a treaty with Australia and it was her duty to live up to the letter and spirit of its terms, or to say frankly that it was not wanted."

It transpired, in the course of discussion, that butter from Australia might be sent to the Canadian market on consignment and be exempt from dump. As a matter of fact a recent shipment of more than 2,000 boxes was brought in on consignment through Vancouver.

O. W. Pearson, representing another importing house, said that on one of the shipments from Australia importers had actually paid more than the Australian home consumption value. He thought it was ridiculous that the government should urge them to buy Imperial products and then penalize them, as in this case, 6 cents a pound, for doing it.

### Regarding Dried Fruit

Mr. Thomas' explanation of the situation in regard to the export of raisins to Canada revealed a sentiment prevailing among the antipodean producers that was hostile to Canada. When the soldiers returned from the war, he said, provision had to be made for many of them, and they were encouraged to go in for raising fruit.

"The dried fruit industry had assumed large proportions, but the problem was in marketing it. It was with the hope of getting a large consumption in Canada that the dried fruit industry in Australia had based such high expectations on the preferential treaty. It was specifically laid down in the pact that the preference would apply only to direct shipments to Canada. Yet the Canadian Government, by order-in-council, had allowed the importation of Australian raisins via London under the treaty terms."

Mr. Thomas read the correspondence and cables that had been passed between the Australian government and Premier King up to the time of his sailing, and he complained of the lack of frankness in recognizing the situation as Australia presented it.

Offers were made by Premier King to submit the matter to the tariff board, and explanations were made that Australia got the same treatment as South Africa, but, said Mr. Thomas, there did not seem to be an eagerness to recognize the terms nor the spirit of the original treaty.

"We were not concerned with what the Canadian Tariff Board might think about it, nor were we concerned with what treatment South Africa had received," said Mr. Thomas. "We had the treaty and we wanted it lived up to."

As showing how imports via London prejudiced Australian dried fruits in Canada, Mr. Thomas explained that raisins sent to London were on consignment. Various grades were shipped there, the total being six or seven thousand tons. The producers had their own appraiser in London, who put a market selling price on the fruit based on current conditions of the market, and held the consignment for that value.

After the fruit was sold, the Australian Dried Fruit Board had no further control of it. This fruit might be bought and held for months in storage and then offered as "Australian raisins" to Canada. Only the best raisins were offered in direct shipments to Canada, whereas all grades were sold on the consignment market in London. It was obvious that, after being held in storage, this fruit via London might be very inferior and give Australian raisins a bad name among Canadian consumers.

### Big Shortage of Horses Coming in a Few Years

REGINA.—The colt crop this season states Mr. J. G. Robertson, provincial Live Stock Commissioner, is an exceeding light one and this is very much to be regretted as the demand for draft horses of the right type has been steadily increasing in Eastern Canada, now beginning to look to the West for its supply of good type heavy horses. Last year over 16,000 horses were shipped from Western to Eastern Canada, several carloads having been sold through the live stock branch of the provincial department, two of these going to Nova Scotia.

The agricultural census of 1920 showed 3,400,352 horses in Canada; in 1925 there were 5,554,041, but only eight and one-half per cent. of the horses in the country are under two years old. If half of these are yearlings and half are foals, it means annual reproduction at the rate of four and a quarter per cent. In the United States the percentage of young stock horses is even smaller than it is in Canada. There is only one foal there for every 27 horses. Five years ago of every 1,000 horses in Canada, 157 were under two years old, but to-day only 85 are under two years old. There is a big shortage of horses coming in a few years.

### NEW MARITIME FISH PLANT

HALIFAX.—It is expected that operations on the construction of the new large fish-curing plant for the Maritime Fish Corporation of Montreal, which is to be erected in Dartmouth, will begin at once.

### TO DEVELOP TIDAL POWER

SAINT JOHN.—A bill incorporating the Canadian Dexter P. Cooper Co., has been approved by the Railways, Telegraphs and Harbors Committee of the Senate. The company proposes to develop power from tidal waters in Passamaquoddy Bay, on the International Boundary between New Brunswick and the State of Maine. The capitalization is shown at $5,000,000.

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# *The Securities Markets*

## MARKET TREND IS AGAIN TO HIGHER LEVEL OF PRICES

### Political Upheaval Regarded With Relief Rather Than Otherwise

MARKET INDICATOR

| 20 Industrial Stocks | High | Low |
|---|---|---|
| Week of July 7 | 94.6 | 92.7 |
| Week of June 29 | 94.4 | 91.9 |
| Mth. of July, 1925 | 80.3 | 73.2 |
| **9 Bank Stocks** | | |
| Week of July 7 | $225 | $223 |
| Week of June 29 | 224 | 223 |
| Mth. of July, 1925 | 211 | 207 |
| **10 Public Utilities** | | |
| Week of July 7 | 93 | 92 |
| Week of June 29 | 94 | 92 |
| Mth. of July, 1925 | 90 | 87 |

With continued good news of crop conditions, particularly as regards the wheat of the Western provinces, the Canadian business situation remains stable and for the time being New York seems to be supplying the speculative influence in a large degree. The political upheaval at Ottawa and the announcement of a fall election are not having a disturbing effect, evidently because the view of business is that nothing could be more unsatisfactory than the situation which has existed for months. Industry throughout the country has been improving in spite of this unfavorable political situation, and the opinion that any change holds possibilities for improvement, particularly as regards those industries which have not been enjoying an adequate measure of protection, would seem to be held by those who bought certain textile and steel stocks on the announcement of the resignation of the King administration. Gains have dominated losses in the Canadian market is indicated by the following summary:

| | Gains | Losses | Unch. | Total |
|---|---|---|---|---|
| Banks | 6 | 2 | 1 | 9 |
| Paper | 7 | 1 | 6 | 14 |
| Steel | 10 | 4 | 14 | 28 |
| Foodstuffs | 8 | 11 | 16 | 35 |
| Utilities | 11 | 6 | 9 | 26 |
| Tractions | 3 | 2 | 8 | 13 |
| Textiles | 1 | 3 | 8 | 12 |
| Industrials | 10 | 12 | 25 | 47 |
| Totals | 56 | 41 | 87 | 184 |

Looking then to the trend in Wall Street, while awaiting the definite outcome of the crop and the clearing up of the political situation, the Canadian markets have continued generally steady and firm with buying of some of the more speculative favorites as the leaders among the American stocks have been taken to still higher levels. As to what the future holds for business in the United States there seems to be more than usual uncertainty and divergence of opinion amongst the recognized industrial leaders and business experts. The big break in the market after the turn of the year now appears to have been technical in character and the result of a top-heavy speculative situation; in other words, the investing public became afraid of the level attained and the subsequent attempts to take profits resulted in general, and, in many cases, drastic declines. But the slowing down in business which this decline was presumed to be discounting has not as yet developed. In the automobile industry and in the building trades activity has continued on a scale which has astounded the business community. On the basis of figures of production and prospects of continued satisfactory profits the market has staged a recovery to close to the high levels of six months ago—with a number of stocks at new tops—and this in the face of quite general predictions that, as a result of building booms and the part-payment selling of automobiles and other merchandise, an unsound situation has been created.

Looking forward now in the United States the conservative element in business expects a slackening in industry on the ground that the developments which the market was believed to be discounting early in the year has only been postponed. Foreign competition is expected to cut into the output of steel and some of the other important commodities. Building is expected to slow down and compeition cut deeply into automobile profits. Cheap and plentiful money, which has been such an imporant factor in the stock market's recovery, is regarded as having created a buying power for both goods and securities which cannot be maintained. On the other hand the optimists are pointing out that business is actually being maintained and that there is no indication of any serious falling off in the early future. The market bulls call attention to the fact that they never regarded the slump, drastic though it was, as the culmination of the bull movement, but rather as a readjustment; their argument on this point is that experience has indicated a real bear market does not develop while there is a plentiful supply of cheap money.

### Buying Quite Limited in the Mining Stocks

Not much transpired on the mining market this week. Dome was weak. Castle, under heavy buying, hardly moved. Beaver was stronger, but there is no special news. Kirkland Lake Gold holds firm just above a dollar. Teck-Hughes holds well awaiting new mill news. Keeley has shown signs of strength on the report that the new high-grade vein has been tapped at a lower horizon. Buying seems very limited.

### National Breweries Helped By the Warmer Weather

MONTREAL.—The only tangible explanation for the renewed demand for National Breweries was much more seasonal weather for the sale of the company's product. It is understood, however, that good business is being enjoyed by the brewing industry, recent big conventions and the setting in of the tourist tide having joined with native consumption to make a very substantial total output. Export figures continue to show increase. For the twleve months ending with May, 3,757,544 gallons of ale and beer valued at $5,023,486 were exported from Canada, these figures comparing with 3,151,416 gallons valued at $4,842,238 for the corresponding period of 1924-25.

### Finch Shoes Preparing to Manufacture in Winnipeg

WINNIPEG.—Awaiting only a comparatively small addition to their paid-up capital, Finch Shoes Limited, is shortly to commence the manufacture of shoes in Winnipeg. While the authorized capital of the company is $100,000, divided into 20,000 shares of $5 each, it is anticipated by the directors that $40,000 will provide sufficient working capital at the outset.

For the most part the stock has been widely distributed, that being the underlying idea, it being one of the bylaws of the company that no shareholder may hold more than 500 shares of stock.

At a reorganization in March of this year, D. E. Finch was elected president, other directors, including Brig.-General R. W. Paterson, C.M.G., D.S.O.; Lieut.-Co. R. H. Webb, Rankin Leslie and W. E. Lough.

### Fraser Companies Have Signed Power Contract

MONTREAL.—The president of the Fraser Companies this week signed a contract with the Saint John River Power Company, the New Brunswick subsidiary of the International Paper Company, which is carrying out the Grand Falls development. The power company will supply the paper company with 14,000 primary and 6,000 secondary horsepower from Grand Falls. The Fraser Companies will pay $20 per horsepower, or a total of $400,000 per year.

The International Paper Company has asked three contracting firms to tender on the main contract for the development work, including the dam and power house. It is anticipated that announcement will be made shortly regarding the awarding of the contract.

### VERY FAIR YEAR FOR "MOVIES"

VANCOUVER.—A very fair year in the moving picture industry is being experienced at present in Canada, according to N. L. Nathanson, managing director of the Famous Players Canadian Corporation, of Toronto, who paid a visit to this city. The Famous Players Corporation has a total of 65 theatres across Canada in every important town and city.

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# *Textiles*

## TEXTILE IMPORTS INTO CANADA SHOW FURTHER ADVANCE

### United States Leads in Supplying Us With These Products

Unfortunately for the Canadian producers of textile products, imports of such products into Canada continue to expand. For the twelve months ending March last, such imports amounted to $184,762,000 against $165,441,000 the previous year, and $173,796,000 in 1924. The increase over last year was 11.7 per cent., and over the previous year, 6.3 per cent. In 1924-25, the United Kingdom supplanted the United States as the leading source of textile fibres and manufactured products to Canada, but in 1925-26 United States again took first place, its share in the trade having risen from 38.7 per cent. in 1925 to 42.8 per cent. last year. That of the United Kingdom declined from 43.6 per cent. in 1925 to 38 per cent. last year.

Raw cotton and cotton manufactures constitute the largest single group among Canadian textile imports, accounting for 30 per cent. of the total, last fiscal year. Wool and wool manufactures rank second. Their percentage of the textile total, however, declined from 28.8 per cent. two years ago, to 24.9 per cent. last year. Silk and silk manufactures comprised 13.8 per cent. of the total last year as against 12 per cent. two years ago.

Imports of raw cotton and linters into Canada, practically all of which came from the United States, rose from 100,879,000 pounds, valued at $24,938,000 in the 12 months ended March, 1925, to 135,574,000 pounds with a value of $29,462,000 for the fiscal year ended March 31, 1926—an increase of 34.4 per cent. in quantity, but only 18.1 per cent. in value. Cotton and cotton linters constituted 47.2 per cent. of the group "cotton and its products" in 1925-26 as compared with 42 per cent. in 1924-25. Not only did the percentage represented by raw cotton increase in 1925-26, but the total value of other items in this group declined from $34,406,000 in 1924-25 to $33,014,000 in 1925-26.

In the calendar year, 1925, Canada ranked first as an export market for American cotton manufactures, having taken goods to the value of $17,675,000

Despite the proximity of Canada to the United States and a certain homogeneity of demand in the two countries, the United Kingdom exports more cotton manufactures to Canada than does the United States. Deducting the value of raw cotton and linters from the total of the group "cotton and its products" gives the approximate value of cotton manufactures imported from the United Kingdom in the fiscal year ended March 31, 1926, as $16,124,000 against $14,174,000 from the United States. In the preceding 12 months, out of a total of $34,406,000 worth of cotton manufactures imported, the United Kingdom supplied $18,695,000 worth and the United States, $12,540,000. Competition with Great Britain in the Canadian market is rendered difficult by the preferential rate, varying from 5 to 15 per cent., according to British goods.

TEXTILE IMPORTS
(Value in thousands of dollars)

| Fiscal year | 1925 From U. S. | 1925 From U. K. | 1925 Total | 1926 From U.S. | 1926 From U.K. | 1926 Total |
|---|---|---|---|---|---|---|
| Cotton and its products | $37,444 | $18,697 | $59,344 | $43,599 | $16,129 | $62,475 |
| Flax, hemp, & jute products | 3,785 | 5,513 | 13,893 | 5,086 | 6,015 | 16,887 |
| Silk and its products | 5,101 | 2,331 | 19,875 | 8,025 | 2,506 | 25,541 |
| Rayon and its products | 431 | 2,565 | 3,723 | 500 | 2,943 | 5,159 |
| Wool and its products | 4,700 | 36,978 | 47,615 | 3,848 | 36,305 | 46,036 |
| Other fibres & their products | 4,945 | 489 | 5,797 | 9,135 | 328 | 11,459 |
| Mixed textile products | 7,597 | 5,553 | 15,194 | 8,922 | 5,928 | 17,204 |
| Total | 64,003 | 72,126 | 165,441 | 79,115 | 70,154 | 184,762 |

### Converters to Pay Off Bond Issue

From Our Own Correspondent.

MONTREAL.—All the outstanding bonds of the Canadian Converters Company fall due this year on December 1. There are $199,000 only of these outstanding at the present time. It seems a safe assumption that at the close of the present calendar year the shareholders will own the entire equity in the property, for "Converters" has aways maintained itself in a strong liquid position and the liability could be paid from working capital; at the close of the fiscal year in April last, the company had a working capital of over $700,000. Thus it seems a safe prediction that the bonds will be retired out of liquid assets, rather than by issuing new refunding bonds or securing the new funds through an additional stock issue to the shareholders.

At the moment the company's shares change hands on a yield basis of well over 7 per cent.; even presuming that the company needed the actual funds—which it does not—further financing by the sale of more stock would be economically unsound. The cost of selling a bond issue of only $200,000 or less would also make such financing hardly worthwhile. So that, there is no doubt that this year Canadian Converters will clean up its mortgage indebtedness and then there will remain no securities of any kind senior to the shares.

"Converters" has just completed the first two months of its fiscal year and, while some lines of general trade have slackened of late, the company has a larger amount of unfilled orders on books than it had at this time last year. Of course, orders are not coming along as fast as they did earlier in the year, but an invariable seasonal slump is experienced between June and the middle of August. At the latter date, orders for the autumn trade begin to make their appearance.

## Canadian Stocks Have Held Very Steady During First Half Year

### Have Reflected Gradual But Maintained Improvement in Business in Face of New York Collapse and Recovery

A study of the market movements of the important Canadian industrial and utility common and bank stocks during the past six months is interesting as an indication of the comparative stability of the Canadian business and financial situation, as compared with the United States, where during the period referred to there have been both a drastic slump—perhaps the worst on record—and a remarkable, and generally unlooked for recovery. On the Canadian stock markets there was some hesitancy and moderate liquidation in sympathy with the Wall Street developments but for the most part the prevailing prices reflected conditions throughout the country where there has been continued moderate improvement in business despite a disturbing budget and the recent political upheaval. Although Canadian stocks were admittedly at high levels at the first of the year there had been nothing like the advance which had been general in Wall Street. When speculators in Wall Street endeavored to secure profits there was a general collapse. Since there has been an almost complete recovery and opinion is now divided as to whether the last advance has been in the nature of accumulation by strong interests or distribution to the public; developments in the next few weeks will probably supply the answer.

During the six months while Canadian business has continued to slowly improve there has been some falling off from the peak in some lines in the United States but this has been nothing like what was evidently forecast by the stock markets and prices have recovered because of the manner in which building, automobile output, steel consumption, etc., have been sustained.

In the way of financial developments bearing on the security markets, perhaps nothing has been more important in its significance and its effects than the announcement of the U. S. government that it would pay off a maturing obligation of $300,000,000 out of treasury surplus rather than make a refunding issue. Directly, this meant a new flood of cash at a time when money was already very plentiful. Indirectly, it meant that institutional investors were immediately forced into the market to buy other securities. Then the evidence of the ability of the government to raise funds in this way was taken as evidence that there was no change in financial conditions in that quarter. With the direct demand at once created for high class securities, prices advanced; then investment stocks followed in the wake of the bonds and then gradually interest was aroused in the more speculative common stocks.

This development in American security markets resulted in a demand for Canadian bonds and a number of issues were placed in New York on favorable terms. This strengthened prices generally for such securities and the improvement found some reflection as well in the general stock markets.

The following summary gives high and low prices, by months, of leading stocks on the Canadian exchanges:

TWENTY REPRESENTATIVE INDUSTRIALS

| | Jan. H | Jan. L | Feb. H | Feb. L | Mar. H | Mar. L | Apr. H | Apr. L | May H | May L | June H | June L |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Abitibi | 75 | 71 | 85 | 75 | 82 | 73 | 78 | 71 | 74 | 70 | 76 | 71 |
| Asbestos | 94 | 88 | 94 | 88 | 93 | 80 | 100 | 89 | 110 | 100 | 107 | 107 |
| Atlantic Sugar | 33 | 28 | 29 | 24 | 27 | 22 | 25 | 22 | 24 | 21 | 27 | 25 |
| Brazilian | 85 | 80 | 98 | 87 | 97 | 86 | 92 | 86 | 96 | 86 | 99 | 95 |
| B. E. Steel. 2nd pfd. | 10 | 8 | 9 | 7 | 8 | 6 | 7 | 2 | 3 | 2 | 3 | 1 |
| Brompton | 28 | 26 | 35 | 27 | 35 | 28 | 34 | 30 | 31 | 27 | 32 | 27 |
| Can. Car pfd. | 85 | 73 | 85 | 83 | 85 | 82 | 82 | 80 | 81 | 79 | 85 | 79 |
| Can. Cement | 106 | 101 | 111 | 105 | 111 | 105 | 106 | 100 | 102 | 98 | 106 | 100 |
| Can. Steamships | 13 | 11 | 14 | 11 | 18 | 12 | 18 | 13 | 20 | 17 | 18 | 17 |
| Cons. Smelters | 192 | 178 | 247 | 193 | 244 | 165 | 214 | 191 | 200 | 184 | 220 | 200 |
| Dom. Bridge | 94 | 80 | 99 | 91 | 96 | 93 | 98 | 94 | 96 | 93 | 101 | 96 |
| Dominion Glass | 94 | 85 | 98 | 92 | 105 | 94 | 100 | 90 | 98 | 94 | 98 | 91 |
| Dominion Textile | 95 | 91 | 99 | 92 | 96 | 91 | 93 | 89 | 92 | 89 | 95 | 89 |
| Laurentide | 89 | 84 | 93 | 86 | 92 | 86 | 87 | 84 | 85 | 81 | 89 | 83 |
| Montreal L. H. Cons. | 218 | 213 | 222 | 214 | 222 | 209 | 230 | 217 | 226 | 222 | 229 | 223 |
| National Breweries | 59 | 56 | 69 | 57 | 66 | 57 | 61 | 57 | 61 | 58 | 62 | 60 |
| Shawinigan | 171 | 167 | 191 | 168 | 189 | 176 | 187 | 180 | 182 | 178 | 208 | 180 |
| Spanish River pref. | 117 | 114 | 119 | 116 | 117 | 116 | 116 | 100 | 111 | 103 | 112 | 108 |
| Steel of Canada | 98 | 95 | 102 | 96 | 103 | 100 | 103 | 98 | 101 | 99 | 105 | 101 |
| St. Lawrence Flour | 45 | 39 | 44 | 38 | 38 | 35 | 35 | 26 | 38 | 30 | 40 | 34 |

NINE BANK STOCKS

| | Jan. H | Jan. L | Feb. H | Feb. L | Mar. H | Mar. L | Apr. H | Apr. L | May H | May L | June H | June L |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Commerce | 226 | 223 | 225 | 222 | 223 | 214 | 223 | 215 | 221 | 216 | 221 | 217 |
| Dominion | 219 | 215 | 219 | 216 | 217 | 213 | 217 | 213 | 215 | 210 | 214 | 210 |
| Canadian Nationale | 170 | 160 | 162 | 159 | 161 | 157 | 160 | 158 | 157 | 157 | 157 | 157 |
| Imperial | 215 | 211 | 215 | 212 | 213 | 210 | 212 | 204 | 207 | 200 | 208 | 203 |
| Montreal | 262 | 258 | 263 | 259 | 261 | 257 | 260 | 252 | 262 | 256 | 270 | 262 |
| Nova Scotia | 281 | 281 | 289 | 286 | 300 | 288 | 292 | 289 | 289 | 285 | 290 | 283 |
| Royal | 255 | 248 | 254 | 251 | 254 | 250 | 253 | 251 | 253 | 248 | 250 | 248 |
| Standard | 200 | 198 | 200 | 198 | 199 | 198 | 199 | 196 | 197 | 196 | 197 | 194 |
| Toronto | 222 | 213 | 222 | 218 | 220 | 215 | 215 | 215 | 216 | 213 | 220 | 213 |

LEADING PUBLIC UTILITIES

| | Jan. H | Jan. L | Feb. H | Feb. L | Mar. H | Mar. L | Apr. H | Apr. L | May H | May L | June H | June L |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bell Telephone | 141 | 139 | 140 | 138 | 140 | 136 | 139 | 136 | 137 | 131 | 140 | 135 |
| Consumers Gas | 180 | 174 | 183 | 177 | 183 | 178 | 181 | 172 | 180 | 172 | 175 | 170 |
| Jamaica Public Service | 98 | 97 | 98 | 97 | 98 | 96 | 99 | 96 | 99 | 98 | 99 | 97 |
| Mackay, com. | 138 | 135 | 137 | 135 | 135 | 132 | 132 | 130 | 131 | 129 | 136 | 131 |
| Quebec Power, com. | 121 | 113 | 124 | 115 | 125 | 120 | 123 | 120 | 122 | 119 | 130 | 118 |
| Southern Canada Power | 90 | 83 | 90 | 88 | 90 | 86 | 90 | 89 | 92 | 89 | 90 | 82 |
| Barcelona | 29 | 27 | 29 | 27 | 29 | 26 | 28 | 26 | 27 | 26 | 36 | 27 |
| Duluth Superior | 31 | 29 | 30 | 29 | 30 | 25 | 29 | 28 | 32 | 28 | 33 | 31 |
| Twin City | 79 | 74 | 78 | 74 | 78 | 69 | 72 | 68 | 72 | 68 | 75 | 71 |
| Winnipeg Elec. com. | 54 | 46 | 53 | 50 | 52 | 46 | 50 | 46 | 49 | 45 | 48 | 46 |

## N.S. STEEL MADE A CONSIDERABLE LOSS LAST YEAR

### Company Drops $1,281,490 and Consolidated Loss of $1,488,100

From Our Own Correspondent.

MONTREAL. — The first balance sheet of the Nova Scotia Steel and Coal Company which has been issued during the past five years reveals the fact that in 1925 the company fared even worse than its sister organization, the Dominion Iron and Steel Company. The profit and loss figures on the year's operations follow:

| | |
|---|---|
| Operating loss | $172,087 |
| Strike expenses | 348,897 |
| | $520,984 |
| Interest— | |
| Bonds | 261,009 |
| Debentures | 298,710 |
| Bank, etc. | 85,587 |
| | $1,166,290 |
| Sinking fund and depr'c'n | 115,200 |
| Loss for year | $1,281,490 |
| Surp. December 31, 1924 | 675,839 |
| Profit and Loss Bal. (Def.) | $605,651 |

Although the liquid assets at the end of the year were $2.281,851 and the current liabilities only $746,934, apparently the company was unable to borrow further on the security of its receivables from the bank; hence the default in the interest payments.

#### The President's Remarks

The report contains information which is of great interest to the shareholders and says in part:

"The relation of current liabilities to current and working assets has improved slightly, but, on the other hand, balances receivable from associated companies show a shrinkage of $1,244,618 during the year. Notwithstanding this regrettable decline in the position of the company's current resources, there is still a sufficient excess of assets over liabilities to provide the company with working capital.

In addition to the items appearing on the assets side of the balance sheet the company has very large claims for reparation of losses suffered during the late war, which have never been set up in its accounts, but in respect to which your directors believe that payment of some part of the amount may not be delayed much longer, and that in the course of time further amounts will be recovered.

As the award of the commissioner appointed by the Dominion government to fix the amount of these payments has not yet been made public, it is not possible to make a more definite statement at this time."

#### Consolidated Operations

Mr. Wolvin then deals with the consolidated operations of the company and its subsidiaries; these include the Acadia Coal and the Eastern Car Companies. He says in the report:

"The operations of your company and its subsidiaries showed a profit of $118,778,.86, but against this were losses due to the long strike at the coal mines which amounted to $617,413.11, interest charges $629,466.03 and reserves for depreciation, etc., $300,000. The result was a net loss of $1,428,100.28 for the year.

In the conditions which are revealed by this report your directors believe that it is in the interest of the company and its bondholders to maintain the present position of its current resources, and with this purpose in view they have decided to postpone payment of the interest and sinking fund accruing on 1st July next until such time as conditions improve, or some substantial payment is received on account of reparation claims.

Payment of interest and sinking fund on the 6 per cent. first mortgage bonds of the Eastern Car Company, due 1st July, will be paid.

Your directors have pleasure in reporting that proposals for the exchange of certain of the company's submarine coal areas lying off Lingan and Glace Bay, and presently inaccessible to any of its collieries, for areas of equivalent value lying under and off Sydney Harbor and Little Bras d'Or, have been agreed to by your directors, and those of the Dominion Coal Company, and that the trustees have been asked to consent. It is expected that as soon as reports of expert valuators have been received by the trustees, the exchange will be confirmed. This will be an advantage to your company, which will be able to continue and enlarge its operations for a long period with the smallest possible expenditure for new collieries."

Current assets in the consolidated report stand at $2,817,236 and current liabilities at $883,135. It is of interest to note that, while the parent company alone shows an operating loss, yet the consolidated report shows that the companies just managed to barely break even on the year's operations; that is, without charging up the losses due to the strike, nor interest, sinking fund and depreciation charges.

### "ALCOHOL'S" EARNINGS UP

MONTREAL.—There has been a good demand for the shares of the Canadian Industrial Alcohol Company, and it is generally understood that the earnings have been excellent and far in excess of the present dividend requirements of about $1,000,000. In some quarters it is confidently stated that there will be an increase in the present dividend rate this year and that the increased disbursement will be at the rate of $2 annually.

INVEST IN A GROWING INDUSTRY
St. Lawrence Paper Mills
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### Dominion Glass Reports a Satisfactory Year

MONTREAL.—It is learned that the present year is shaping up quite satisfactorily for the Dominion Glass Co. Sales are running generally higher than was the case a year ago, and the expectation is that the current fiscal year will be brought to a close on September 30 next with net earnings more than sufficient to take care of dividend requirements on the common stock after all charges which rank ahead of that issue.

In spite of the fact that the 1925 earnings were an even 1 per cent. below the annual dividend on the common of 7 per cent., disbursements have been continued at this rate during the year, and those close to the company state that there is now not the slightest doubt that this will easily be earned in the future. During the six years prior to 1925 net earnings available on the common have averaged better than 8.5 per cent.

### Operation of Sydney Steel Plants to be Continued

MONTREAL.—That the operations of the Sydney steel plants of the Dominion Iron and Steel Company will not be interrupted is the announcement which has been made by W. E. Rundle, vice-president of the National Trust Company, the receiver of the company.

At the moment, the steel plants are experiencing somewhat better business; any revival in railway orders would undoubtedly work wonders as far as earnings are concerned, but there is little doubt that the company requires new capital, and to obtain any new financing means that some of the mortgage security holders must forego some of their claims. Such financing is required to improve the plants and to bring them up-to-date; thus reducing costs and allowing the company to operate on a more favorable basis.

### CHANGE IN LOCOMOTIVE'S YEAR

Directors of the Canadian Locomotive Co. have decided on a change in the date for the ending of the company's fiscal year. In future the year will end on December 31, and not June 30, as heretofore.

No financial statement is to be issued for the twelve months' period ended June 30 last. Instead, a statement will be issued for the 18 months ending December 31 next.

### ANOTHER AMES HOLDEN DIVIDEND?

MONTREAL.—In addition to a preliminary payment of 30c. on the dollar to the bondholders of Ames, Holden, McCready, it is the opinion of some that there is the possibility of another disbursement of 25c.; this would make a total payment of 55c, of which 10c. represents interest arrears.

In this event, there would still remain a final payment for which the funds would come from the sale of some of the properties which still remain in the hands of the liquidator. It is said that the sale of these properties might net the bondholders between 20 and 30 cents.

The Future of the Canadian Newsprint Industry?
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# Public Utilities

## BRAZILIAN'S 1925 GROSS EARNINGS $4,300,000 HIGHER

### Net Income From Subsidiaries Materially Better After Heavy Charges

The expected substantial increase in earnings of Brazilian Traction were found to be fully realized on the appearance of the 1925 annual report. Gross earnings at $31,243,759 stand $4,300,000 above the previous year and $7,000,000 above 1923. Costs were, however, materially higher due to financing betterments out of earnings, as the net operating revenue was only $800,000 better. Bond interest and general expense on the other hand was down considerably but this was again offset by an increase in the reserves for depreciation and sinking funds of subsidiaries.

Brazilian's revenue from the subsidiaries was $8,328,439 or better than $500,000 increase and with other revenue added, the gross to Brazilian at $8,848,594 was up $600,000. Administration and other charges were lower and amortization the same, leaving a net income available for dividends of $8,255,286 an increase of $620,000. Dividend provision was about the same and the amount added to surplus was $3,392,020.

Brazilian carried forward a surplus of $5,683,888 and after transferring $3,000,000 to general reserve the balance forward to 1926 stands at $6 075,908.

The figures:

**Earnings Statement:—**

| | | |
|---|---|---|
| Sub. res. | $25,226,076 | $27,952,390 |
| Sub. S. Fund | 8,167,328 | 9,173,090 |
| Amortization | 2,660,000 | 2,960,000 |
| General Reserve | 31,042,567 | 34,227,690 |
| | $67,095,971 | $74,313,170 |
| Surplus | 5,829,300 | 6,221,320 |
| | $72,925,721 | $80,534,490 |
| Subsidiaries— | 1924 | 1925 |
| Gross earnings | $26,936,767 | $31,243,759 |
| Net earnings | 16,643,472 | 17,489,445 |
| Miscellaneous | 76,301 | 38,061 |
| Total revenue | $16,719,773 | $17,527,506 |
| Fixed charges | x4,709,785 | 4,391,087 |
| Depreciation | 4,238,848 | 4,807,980 |
| Total charges | $8,948,663 | $9,199,067 |
| To Brazilian Trac. | $7,771,140 | $8,328,439 |
| Int. on invest. | 478,381 | 520,155 |
| Gross revenue | 8,249,521 | 8,848,594 |
| General expenses | 310,604 | 293,208 |
| Amortization | 300,000 | 300,000 |
| Total charges | $ 610,604 | $ 593,308 |
| Net revenue | $7,638,917 | $8,255,284 |
| Dividends | 4,862,788 | 4,863,266 |
| Surplus | 2,776,129 | 3,392,020 |

**Position of Reserves:—**

| | 1924 | 1925 |
|---|---|---|
| Rio Tram. Dep., R.N. | $16,445,446 | $18,353,821 |
| *Sao Paulo* Tram., do. | 7,098,372 | 7,484,853 |
| *Sao Paulo* Electric, do. | 1,598,258 | 1,861,702 |
| Braz. Hydro, do. | 84,000 | 252,014 |
| Gen. Amortization | 2,660,000 | 2,960,000 |
| Rio Tram. S.F. | 7,824,904 | 8,729,261 |
| Sao Paulo, Elec., S.F. | 342,424 | 443,829 |
| | $36,053,404 | $10,085,480 |

The Board remarks that the improvement in exchange which occurred during the last half of the year has been maintained and milreis stands at 15.27 cents.

Discussing increased power supply the report says the first units of the new Sorocaba and Rasgao will be ready this year and they are satisfied that the power problem of Rio de Janeiro and Sao Paulo has been solved for many years to come.

General increases in operation are seen in all phases of the report and are well outlined by Pres. Sir Alexander Mackenzie. These will be presented in detail with an extended review of the years operations in next week's issue, July 16.

## Brazilian Goes Up to Par Ahead of the Annual Report

On the eve of the appearance of the company's annual report Brazilian Traction sold up to par. The stock sold as low as 49⅞ in 1925, and it advanced to 84 before the close of the year. The sharpest move took place in the third quarter, and it showed quite consistent strength until the end of the year. During the period of greatest activity it was freely predicted that the dividend rate on the common would be increased from 4 to 5 per cent. This was actually done. At the time of the official announcement the principal market sponsors remarked without reservations that this was merely preliminary to a more generous dividend policy.

As has been previously reported, the company's position has greatly improved both as to earnings and in regard to the exchange situation. Higher dividends are definitely in prospect, but there is no indication of anything immediately. Buying of the stock in recent years has centred in Montreal, and it is understood that a stock dividend or a split would be favored by those interested.

## Wninipeg and Power Co. Still Busy Negotiating

From Our Own Correspondent.

MONTREAL. — Negotiations between the city of Winnipeg and the Manitoba Power Company for the purchase of a block of power over a period of years, to take care of the prospective shortage in the output from the municipal plant, have been proceeding steadily; indications are that an agreement will be concluded.

It is said that the latest proposal submitted by the company is for the purchase of a minimum of 247,000 horsepower over a period of 11 years at a cost of $4,578,750, or a maximum of 270,000 horsepower at $4,495,000. The average price thus submitted by the company is $18.50 horsepower.

### QUEBEC POWER EXTENDS

MONTREAL. — The Quebec Power Company has awarded a contract for the construction of new workshops at Limoilou in the east end of the city to James Shearer, of Montreal; the price involved is $216,000. It is understood that other contracts for additional work in connection with the undertaking will amount to some hundreds of thousands of dollars.

## Bell Decision in August And Then New Financing

From Our Own Correspondent.

MONTREAL.—It is anticipated that the final hearing of the Bell Telephone case before the Board of Railway Commissioners will take place towards the end of this month. In the meantime, the new financing which the company needs to take care of its expansion program is being held up.

The new rates for which authorization is asked, it is said, will increase the earnings by around $2,000,000 annually. Probably the board will hand down its decision some time in August which will pave the way for new financing. Probably the additional funds will be obtained by the sale of bonds, but there is also the possibility that further stock offerings will be made to the shareholders at below present market levels.

### B. C. TELEPHONE'S NEW CABLE LINE

VANCOUVER. — To increase long-distance telephone facilities between Vancouver Island and the mainland, the B. C. Telephone Company will lay a new cable across the Gulf of Georgia next spring.

Already there are two cables between Point Grey and Nanaimo. The new route will be an entirely different one, extending from Point Grey south to Galiano and Salt Spring Islands and Saanich Peninsula. The purpose of the new cable is to give through connection between Victoria and Vancouver.

## Consumers Gas Buys New Property at Berkeley St.

Following immediately on the deposit of the proceeds of its new $3,000,000 stock issue the Consumers Gas Co. announce the purchase for $75,000 of a city block of vacant land to the north of its present close-in site at Front and Berkeley streets. At this site, which is the company's original property, efforts have been made in recent years to increase the gas output to the maximum and these efforts have been met with marked success. The vertical retorts, to which reference has been made in these columns, represented one method by which capacity was increased, while larger storage tanks and underground reservoirs are some of the other features. However, it has evidently been decided that it is now in the interests of the company to get additional land and to enlarge this site. Certain auxiliary buildings can be erected with economic advantage.

# Stock Market Record

### WEEK ENDING JULY 6

| | Div. Rate | Yield July 5 | High for wk. | Low for wk. | Close July 6 | Close June 28 | Sales for wk. | Range, 1926 High | Low |
|---|---|---|---|---|---|---|---|---|---|
| **Banks—** | | | | | | | | | |
| Commerce | 12+1 | 5.85 | 222 | 221 | 222 | 220½ | 187 | 226 | 214 |
| Dominion | 12+1 | 6.14 | 213 | 210 | 212 | 211 | 189 | 219 | 210 |
| Can. Nationale | 10 | 6.36 | 157½ | 157 | 157½ | 157 | 17 | 170 | 157 |
| Imperial | 12+1 | 6.37 | 204 | 203¾ | 203⅞ | 204 | 92 | 215½ | 200 |
| Montreal | 12+2 | 5.16 | 271 | 269½ | 270 | 269½ | 158 | 271 | 251½ |
| Nova Scotia | 16 | 5.50 | 292 | 290 | 292 | 290 | 77 | 300 | 281 |
| Royal | 12+2 | 5.62 | 250 | 249 | 249 | 249½ | 200 | 255⅛ | 248 |
| Standard | 12 | 6.31 | 195 | 190 | 195 | 194 | 39 | 200 | 190 |
| Toronto | 12 | 5.46 | 220 | 218⅞ | 219 | 219 | 55 | 222 | 213 |
| **Paper—** | | | | | | | | | |
| Abitibi, com. (no par) | 4 | 5.26 | 76½ | 75¼ | 76⅛ | 75¾ | 3231 | 85½ | 70¼ |
| Do. pref. | 7 | 6.42 | .. | ... | ... | ... | ... | 116 | 109 |
| Belgo-Can. com. | 6 | 6.00 | .. | ... | ... | ... | ... | 100 | 100 |
| Do. pref. | 7 | 7.12 | 98¼ | 98 | 98¼ | 98 | 90 | 101 | 95¾ |
| Brompton (no par) | . | ... | 31 | 29¾ | 30½ | 30 | 400 | 35¼ | 26 |
| Laurentide | 6 | 6.85 | 88½ | 85¾ | 88¼ | 87 | 1507 | 93½ | 81½ |
| Price Bros. com. | 2 | 2.98 | 67¼ | 67 | 67 | 67 | 105 | 72 | 57 |
| Do. pref. | 6½ | 6.53 | 100 | 99¼ | 99¼ | 100 | 160 | 100 | 95 |
| Prov. Paper com. | 6+1 | 6.73 | 104 | 102 | 102 | 102 | 30 | 104 | 100 |
| Do. pref. | 7 | 6.78 | .. | ... | ... | ... | ... | 104½ | 100 |
| Smith, Howard, com. | . | ... | 50 | 49 | 49½ | 49¼ | 505 | 54½ | 38 |
| Do. pref | 8 | 8.16 | 98 | 98 | 98 | 98 | 80 | 101 | 92¾ |
| Span. River, com. | 7 | 6.93 | 101¾ | 100 | 101¾ | 100 | 1100 | 101¾ | 96½ |
| Do. pref. | 7 | 6.30 | 111¾ | 111¾ | 111¾ | 111 | 75 | 119 | 108 |
| Wayagamack | . | ... | 73 | 73 | 73 | 73 | 35 | 83 | 56 |
| **Steel and Steel Industries—** | | | | | | | | | |
| B.E. Steel, com. | . | ... | ½ | ¼ | ½ | ½ | 263 | 3½ | ¼ |
| Do. 1st pref. | . | ... | 9⅞ | 9¼ | 9⅞ | 9½ | 260 | 30 | 9 |
| Do. 2nd pref. | . | ... | 1½ | 1½ | 1½ | 1¼ | 325 | 10¾ | 1 |
| Can. Car & Found., com. | . | ... | 39 | 39 | 39 | 37 | 25 | 49 | 33 |
| Do. pref. | 7 | 8.66 | 81 | 80¾ | 80¾ | 81 | 11 | 85¾ | 73 |
| Can. Fairbanks, pref. | . | ... | .. | ... | ... | ... | ... | 60 | 60 |
| C.G.E., com. (par $50) | . | ... | .. | ... | ... | ... | ... | 51 | 47 |
| Do. pref. (par $50) | 7 | 6.25 | 56 | 55 | 55 | 55½ | 41 | 60 | 53½ |
| Can. Locomotive, com. | . | ... | .. | ... | ... | ... | ... | 42 | 35 |
| Do. pref. | 7 | 8.58 | 81½ | 81½ | 81½ | 82 | 5 | 89½ | 73 |
| Canada Iron, com. | . | ... | .. | ... | ... | ... | ... | 10 | 9 |
| Do. pref. | . | ... | 41 | 41 | 41 | 41 | 30 | 42 | 39 |
| Can Forgings, pref. | . | ... | .. | ... | ... | ... | ... | 50 | 41½ |
| Dominion Coal | . | ... | 52 | 50 | 51 | 52 | 50 | 52 | 40 |
| Dominion Iron, pref. | . | ... | .. | ... | ... | ... | ... | 24¾ | 5 |
| Dominion Bridge | 4 | 3.94 | 102 | 100 | 102 | 99 | 2023 | 102 | 86 |
| Dom. Radiator, pref. | 7 | 6.93 | 101 | 101 | 101 | 100¼ | 25 | 103½ | 100¼ |
| Dom. Steel Corp., pref. | . | ... | 15 | 14 | 15 | 14 | 80 | 25 | 10⅝ |
| Ford Motor | 10 | ... | .. | ... | ... | ... | ... | 622 | 500 |
| Massey-Harris, com. | . | ... | 52¾ | 52½ | 52¾ | 52½ | 120 | 60 | 40 |
| Do. pref. | 7 | 7.40 | 94¾ | 94⅜ | 94½ | 94½ | 112 | 97 | 93 |
| McKin. Ind. com. (no par) | . | ... | .. | ... | ... | ... | ... | 26½ | 15 |
| Do. pref. | 7 | 7.77 | .. | ... | ... | ... | ... | 92 | 80 |
| N.S. Steel pref. | . | ... | .. | ... | ... | ... | ... | 25 | 25 |
| Ontario Steel, com. | 4 | 5.47 | 73 | 72 | 73 | 73 | 35 | 76 | 60 |
| Do. pre. | 7 | 7.00 | .. | ... | ... | ... | ... | 102 | 98 |
| Russell Motor, com. | . | ... | 40 | 39½ | 40 | 39½ | 40 | 42 | 39 |
| Do. pref. | 7 | 7.93 | .. | ... | ... | ... | ... | 90 | 76 |
| Sawyer-Massey, pref. | . | ... | .. | ... | ... | ... | ... | 13 | 5 |
| Steel of Canada, com. | 7 | 6.66 | 106 | 104 | 105¼ | 105 | 1115 | 106½ | 95⅛ |
| Do. pref. | 7 | 6.00 | 116½ | 116½ | 116½ | 116⅛ | 1 | 118½ | 114 |
| **Milling and Foodstuffs—** | | | | | | | | | |
| Arnolds, com. (no par) | . | ... | 23¾ | 21½ | 23½ | 24 | 335 | 26⅝ | 18 |
| Do. pref. | 7 | 7.77 | .. | ... | ... | ... | ... | 97⅞ | 89½ |
| Atlantic Sugar, com. | . | ... | 26½ | 25 | 25 | 26½ | 76 | 33⅞ | 21½ |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 88 | 75 |
| B.C. Fishing | 5 | 6.75 | 74 | 72½ | 73½ | 72¼ | 395 | 75¼ | 57¼ |
| Canada Bread, c. (no par) | . | ... | 78 | 70 | 77 | 70 | 510 | 78 | 53 |
| Do. pref. (A) | 7 | 6.36 | 110 | 109 | 109⅞ | 110 | 20 | 110 | 105 |
| Do. pref. (B) | 7 | 7.14 | 99 | 98 | 99 | 99 | 66 | 100 | 96¼ |
| Can. Canners, com. | . | ... | 12 | 12 | 12 | 13 | ½ | 15 | 12 |
| Do. pref. | 4 | 6.37 | 63 | 62⅛ | 62¾ | 63 | 336 | 67¾ | 60 |
| Canadian Salt | 8 | 5.92 | .. | ... | ... | ... | ... | 145 | 129 |
| Christie B. com. (no par) | 30c | ... | .. | ... | ... | ... | ... | 63½ | 44¾ |
| Can. Bak. com. (no par) | . | ... | .. | ... | ... | ... | ... | 37¾ | 26½ |
| Do. pref. | 7 | 7.44 | 94½ | 93½ | 93½ | 94½ | 20 | 98½ | 92⅞ |
| City Dairy, com. (par $25) | 12 | 4.22 | 71 | 71 | 71 | 72½ | 53 | 81 | 67 |
| Do. pref. | 7 | 6.54 | 107 | 107 | 107 | 107 | 6 | 112 | 107 |
| Cuban Can. Sugar, com. | . | ... | 3 | 3 | 3 | 3 | 10 | 5 | 3 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 28 | 21½ |
| Dom. Stores, c. (no par) | . | ... | 65¾ | 60 | 65½ | 59 | 658 | 68 | 56 |
| Wm. Davies (A) (no par) | . | ... | 31 | 29 | 30¾ | 30¼ | 471 | 37½ | 29 |
| Inter. Milling, pref. | 7 | 7.00 | 100 | 100 | 100 | 100¾ | 33 | 105¼ | 99 |
| Lake of Woods, com. | 12 | 8.51 | 142 | 141 | 142 | 140 | 20 | 175 | 139 |
| Do. pref. | 7 | 6.03 | 116 | 116 | 116 | 116 | 5 | 118 | 115 |
| Maple Leaf Mill. com. | . | ... | .. | ... | ... | ... | ... | 88 | 50⅛ |
| Do. pref. | 7 | 7.34 | 95¼ | 95 | 95 | 95 | 81 | 102 | 92 |
| Ogilvie Flour, com. | 5 | 2.74 | 182 | 182 | 182 | 183 | 15 | 200 | 165½ |
| Do. pref. | 7 | 5.88 | 119 | 119 | 119 | 118½ | 1 | 125 | 117 |
| Pure G. Mfg. (no par) | 50c | ... | 18 | 18 | 18 | 19 | 183 | 23½ | 18 |
| Shred. W., new (no par) | 75c | 6.12 | 49 | 49 | 49 | 49½ | 50 | 51¼ | 47½ |
| St. Law. Flour, com. | . | ... | 41¼ | 40 | 40¾ | 40 | 825 | 45 | 28 |
| Do. pref. | 7 | ... | .. | ... | ... | ... | ... | 84 | 82 |
| Viau Bis., com. | . | ... | 28 | 28 | 28 | 28 | 1103 | 28 | 18 |
| Do. pref. | 7 | 8.23 | 87 | 85 | 87 | 87 | 29 | 89 | 85 |
| Western Grocers, com. | . | ... | 4 | 4 | 4 | 4 | 5 | 13¼ | 4 |
| Do. pref. | . | ... | 51 | 51 | 51 | 51 | 10 | 64 | 49 |
| Do. com. (new) | . | ... | 27 | 27 | 27 | 26¾ | 1 | 27 | 26 |
| Do. pref. (new) | 7 | ... | .. | ... | ... | ... | ... | 63 | 62 |
| **Utilities—** | | | | | | | | | |
| Bell Telephone | 8 | 5.77 | 139 | 137 | 138 | 137¾ | 511 | 141 | 131 |
| Consumers Gas | 10 | 5.87 | 170¾ | 170 | 170¾ | 170 | 160 | 183⅞ | 170 |
| Consumers Gas rights | . | ... | .. | ... | ... | ... | ... | 4.85 | 3.90 |
| Inter Utili. (A) (no par) | 87¼ | ... | 32¼ | 32⅛ | 32⅛ | 32 | 165 | 38½ | 31¾ |
| Cedar Rapids | 8 | ... | .. | ... | ... | ... | ... | 50 | 40 |
| East. Koot. Power | . | ... | .. | ... | ... | ... | ... | 32 | 25 |
| Jamaica Pub. Ser., pref. | 7 | 7.14 | 98 | 97 | 98 | 97 | 15 | 99¼ | 96½ |
| Laurentide Power | 5 | 4.67 | .. | ... | ... | ... | ... | 110 | 100 |
| Mackay, com. | 7 | 5.30 | 133⅝ | 132 | 133½ | 133 | 192 | 136 | 105 |
| Do. pref. | 4 | 5.67 | 70½ | 70⅛ | 70 | 70 | 64 | 73½ | 68¾ |
| Mexican Light, com. | . | ... | 30 | 30 | 30 | 31½ | 100 | 31⅞ | 29 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 75 | 64 |
| Mont. L. H. & Pr. Cons. | 8 | 3.55 | 226⅝ | 224½ | 224¾ | 226⅛ | 2622 | 230 | 209 |
| Montreal Teleg. (par $40) | 8 | 6.50 | .. | ... | ... | ... | ... | 51½ | 48 |
| Nor. Mex. Power | . | ... | .. | ... | ... | ... | ... | 55 | 41 |
| Ottawa & Hull Po., com. | . | ... | .. | ... | ... | ... | ... | 30¾ | 25 |
| Ottawa L. H. & Pr. com. | 6 | 6.18 | 97 | 97 | 97 | 96½ | 5 | 100 | 92 |
| Do. pref. | 6½ | 6.40 | 101½ | 101½ | 101½ | 100⅝ | 15 | 105¼ | 100 |
| Quebec Power, com. | 5 | 3.92 | 130¼ | 127 | 127½ | 128 | 332 | 130¼ | 113 |
| Do. pref. | 7 | 6.08 | 115 | 115 | 115 | 114¼ | 10 | 116 | 109½ |
| Shawinigan | 8 | 3.91 | 208 | 203 | 203 | 207½ | 3036 | 208 | 167½ |
| South. Can. Power, com. | 2.00 | 2.43 | 82 | 82 | 82 | 82½ | 55 | 92 | 82 |
| Do. pref. | 6 | 6.00 | 100 | 100 | 100 | 100 | 82 | 104½ | 100 |
| Do. rights | . | ... | 60 | .55 | .55 | .60 | 208 | 2 | ½ |
| **Transportation—** | | | | | | | | | |
| Can. Pacific Rly. | 10 | 6.06 | 165 | 163½ | 165 | 163¾ | 109 | 165 | 147 |
| Can. Steamships, com. | . | ... | 18½ | 17½ | 18¼ | 18 | 358 | 20 | 11 |
| Do. pref. | . | ... | 71¼ | 68 | 71¼ | 69 | 743 | 73¼ | 56 |
| Do. voting | . | ... | 18¼ | 18 | 18 | 18 | 195 | 19 | 11 |
| **Tractions—** | | | | | | | | | |
| Barcelona (par $50) | . | ... | 36¼ | 35½ | 35½ | 35 | 205 | 36¼ | 26 |
| Brazilian, com. | 5 | 5.10 | 98½ | 97 | 98⅛ | 97 | 9875 | 99 | 80 |
| Do. pref. | 6 | 5.94 | .. | ... | ... | ... | ... | 102½ | 97½ |
| Detroit Un. Rly. | . | ... | 2 | 2 | 2 | 2 | 25 | 3½ | 2 |
| Duluth-Superior | . | ... | 33¼ | 32½ | 32½ | 32½ | 125 | 33¼ | 25 |
| Illinois Trac., pref. | 6 | ... | .. | ... | ... | ... | ... | 96¼ | 96¼ |
| Montreal Trams. | 10 | 5.71 | 175 | 175 | 175 | 176 | 65 | 178 | 159 |
| Ottawa Traction | 4+1 | 8.06 | .. | ... | ... | ... | ... | 65⅞ | 60 |
| Porto Rico Rlys., com. | . | ... | 43½ | 43½ | 43½ | 43½ | 155 | 47 | 40 |
| Do. pref. | 7 | 8.18 | 85½ | 85½ | 85½ | 85½ | 10 | 91 | 85½ |
| Twin City, com. | 5 | 7.04 | 71½ | 70 | 70¾ | 71 | 362 | 79½ | 68¼ |
| Do. pref. | 7 | 6.79 | .. | ... | ... | ... | ... | 103 | 102¼ |
| Winnipeg Elec., com. | 1 | ... | 48¾ | 47½ | 47½ | 47¾ | 633 | 54⅞ | 45¼ |
| Do. pref. | 7 | 7.17 | 98¾ | 97 | 97¼ | 97⅛ | 80 | 100½ | 95 |
| **Textiles—** | | | | | | | | | |
| Can. Conn. Cotton, pref. | 4 | ... | .. | ... | ... | ... | ... | 49 | 37 |
| Can. Converters | 7 | 7.69 | 91 | 90 | 90 | 90 | 26 | 94 | 90 |
| Can. Cotton, com. | 8 | 7.01 | 114 | 114 | 114 | 114 | 3 | 124 | 113 |
| Do. pref. | 6 | 6.31 | 94 | 94 | 94 | 95 | 4 | 99½ | 94 |
| Can. Woollens, com. | . | ... | 5½ | 5½ | 5½ | 6 | 15 | 8 | 5 |
| Do. pref. | . | ... | 50 | 50 | 50 | 50 | 5 | 50 | 45 |
| Dom. Textile, com. | 5 | 5.46 | 95 | 91½ | 92 | 94 | 941 | 99⅛ | 89 |
| Do. pref. | 7 | 6.00 | .. | ... | ... | ... | ... | 122 | 115 |
| Monarch Knit., pref. | . | ... | .. | ... | ... | ... | ... | 50 | 45 |
| Montreal Cottons, com. | 6 | 5.45 | 110 | 110 | 110 | 110 | 2 | 111 | 102 |
| Do. pref. | 7 | 6.08 | .. | ... | ... | ... | ... | 115 | 110 |
| Penmans, com. | 8 | 4.32 | 185 | 185 | 185 | 184 | 45 | 190 | 173 |
| Do. pref. | 6 | 5.81 | .. | ... | ... | ... | ... | 104½ | 102 |
| Wabasso Cotton | 4 | 6.55 | 61 | 61 | 61 | 61 | 90 | 65 | 60 |
| **General Industrials—** | | | | | | | | | |
| Am. Salesbook c. (par $20) | 4 | 6.15 | 65 | 62 | 62 | 62 | 84 | 70 | 54 |
| Do. pref. | 7 | 7.36 | 95 | 94 | 95 | 94½ | 33 | 98 | 92 |
| Asbestos Corp., com. | 6 | ... | .. | ... | ... | ... | ... | 110 | 89 |
| Do. pref. | 6 | ... | .. | ... | ... | ... | ... | 128 | 109 |
| Do. com. (new) | . | ... | 20¾ | 18¾ | 18¾ | 20½ | 1546 | 24½ | 17¾ |
| Do. pref. (new) | 7 | 9.30 | 77 | 72½ | 74¾ | 77 | 2375 | 79¾ | 62 |
| Brant. Cord. pf. (par $25) | 8 | 7.69 | 26 | 25⅝ | 26 | 26¼ | 120 | 27½ | 25⅜ |
| Bldg. Products | 7 | 8.04 | .. | ... | ... | ... | ... | 87 | 85¼ |
| Burt, F. N., c.. (par $25) | 12 | 5.21 | 57½ | 56 | 57 | 57½ | 122 | 67½ | 50 |
| Canada Cement, com. | 6 | 5.75 | 105½ | 103¾ | 103¾ | 105 | 145 | 111½ | 98 |
| Do. pref. | 7 | 6.16 | 115¼ | 113½ | 114½ | 113¼ | 82 | 120 | 112¼ |
| Cons. Rubber, pref. | 7 | 8.00 | .. | ... | ... | ... | ... | 87½ | 86½ |
| Can. Ind. Alco. (no par) | 1.28 | 6.40 | 19⅞ | 18¾ | 19½ | 18⅞ | 6990 | 20 | 16¼ |
| Crow's Nest Coal | 6 | 9.23 | 66 | 65 | 66 | 65 | 53 | 85 | 51 |
| Dom. Glass, com. | 7 | 7.65 | .. | ... | ... | ... | ... | 105 | 85 |
| Do. pref. | 7 | 6.60 | .. | ... | ... | ... | ... | 111 | 105½ |
| E. Theat. com. (par $25) | . | ... | 25 | 25 | 25 | 25 | 10 | 25¼ | 18¾ |
| Do. pref. | 7 | 7.77 | .. | ... | ... | ... | ... | 90 | 83 |
| Fam. Players, com. | . | ... | .. | ... | ... | ... | ... | 18½ | 12 |
| Do. pref. | 8 | 8.88 | 91 | 89½ | 89½ | 90 | 195 | 94¼ | 89 |
| Gilman, com. | 6 | 5.55 | .. | ... | ... | ... | ... | 108 | 104½ |
| Do. pref. | 7 | 5.69 | 123 | 121 | 123 | 116 | 60 | 123 | 113½ |
| Goodyear Tire, pref. | 7 | 7.42 | 94⅝ | 94 | 94½ | 94½ | 59 | 97 | 85 |
| Holt, Renfrew, pref. | 7 | 8.14 | 86 | 86 | 86 | 88 | 10 | 90 | 85½ |
| King Ed. Hotel | . | ... | .. | ... | ... | ... | ... | 41 | 25 |
| Lyall Construction | . | ... | 42 | 42 | 42 | 44 | 10 | 48 | 20 |
| Nat. Brew., c.. (par $25) | 4 | 6.46 | 62 | 60 | 61¼ | 60 | 2303 | 69 | 56 |
| Do. pref. | 7 | 6.54 | .. | ... | ... | ... | ... | 110 | 106 |
| National Brick, com. | . | ... | 10 | 10 | 10 | 10 | 140 | 12½ | 10 |
| Do. pref. | 7 | 10.93 | 64 | 64 | 64 | 60 | 101 | 72 | 60 |
| Pacific Burt, com. | 6 | 6.31 | .. | ... | ... | ... | ... | 110 | 90 |
| Do. pref. | 7 | 6.86 | .. | ... | ... | ... | ... | 110 | 102 |
| Port Hope Sani., com. | 3 | 3.48 | .. | ... | ... | ... | ... | 88 | 74½ |
| Do. pref. | 7 | 6.71 | .. | ... | ... | ... | ... | 105 | 99 |
| Rogers, Wm., com. | . | ... | 62 | 54½ | 62 | 53½ | 182 | 67 | 45 |
| Do. pref. | 7 | 7.60 | 92½ | 92 | 92 | 93 | 30 | 97 | 90 |
| Sher.-Williams, com. | 6 | 4.58 | 131 | 131 | 131 | 133 | 5 | 137 | 125 |
| Do. pref. | 7 | 6.25 | 112 | 112 | 112 | 111 | 5 | 114 | 110½ |
| Sterling Coal | 4 | 10.12 | .. | ... | ... | ... | ... | 43 | 37 |
| Tooke Bros., com. | . | ... | .. | ... | ... | ... | ... | 8 | 8 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 60 | 55 |
| Tuckett Tobacco, com. | 4 | 6.45 | .. | ... | ... | ... | ... | 65 | 61¾ |
| Do. pref. | 7 | 6.86 | .. | ... | ... | ... | ... | 105 | 100 |
| Woods Mfg., com. | . | ... | 48 | 48 | 48 | 47 | 15 | 48 | 38 |
| Do. pref | 7 | 8.09 | 86¾ | 86½ | 86¾ | 87 | 85 | 90 | 77¾ |
| Kelvinator, com. (no par) | . | ... | 17½ | 17 | 17 | 17¼ | 142 | 20¼ | 15 |
| Do. pref. | 7 | 7.65 | 91½ | 91 | 91½ | 91½ | 102 | 93⅞ | 90 |
| **Trust and Loan—** | | | | | | | | | |
| Central Canada | 12 | 5.71 | .. | ... | ... | ... | ... | 210 | 210 |
| Canada Landed (par $50) | 10+1 | 6.07 | 90½ | 90½ | 90½ | 90 | 7 | 100 | 90 |
| Can. Permanent | 12 | 5.84 | 205½ | 205½ | 205½ | 205½ | 6 | 208½ | 202½ |
| Col. Invest. (par $10) | 6 | ... | .. | ... | ... | ... | ... | 7 | 4 |
| Hamilton Prov. | 10 | 6.36 | .. | ... | ... | ... | ... | 157 | 157 |
| Huron & Erie | 7+½ | 5.63 | .. | ... | ... | ... | ... | 133 | 127½ |
| Landed Banking | 9 | 6.00 | .. | ... | ... | ... | ... | 150 | 150 |
| Montreal Loan | 12+1 | 6.50 | .. | ... | ... | ... | ... | 50 | 50 |
| National Trust | 12 | 5.17 | .. | ... | ... | ... | ... | 245 | 232½ |
| Ontario Loan (par $50) | 11 | 5.28 | .. | ... | ... | ... | ... | 106 | 103½ |
| Real Estate Loan | 7 | 8.23 | .. | ... | ... | ... | ... | 85 | 85 |
| Toronto Gen. Trusts | 12 | 5.45 | .. | ... | ... | ... | ... | 225 | 220 |
| Tororto Mtge. (par $50) | 10+1 | 5.50 | .. | ... | ... | ... | ... | 100 | 93½ |
| Union Trust | 7 | 7.07 | 98 | 98 | 98 | 99 | 5 | 101 | 98 |
| **THE CURB MARKET** | | | | | | | | | |
| Andes Pete | . | ... | .. | ... | ... | ... | ... | 6⅝ | 6⅝ |
| Brit. Am. Oil (par $25) | 10 | 4.65 | 53¾ | 52¼ | 53¼ | 53 | 975 | 54 | 47 |
| Can. Oil, com. | 1¼ | ... | .. | ... | ... | ... | ... | 75 | 65 |
| Do. pref. | 8 | 7.40 | 108 | 107 | 108 | 108 | 52 | 108 | 100 |
| Continental Oil | 25c | 1.08 | 23 | 22 | 23 | 22¼ | 145 | 26 | 20 |
| Dryden Power (no par) | . | ... | 10 | 8 | 10 | 8 | 1045 | 10 | 5½ |
| East. Engineering | . | ... | .. | ... | ... | ... | ... | 2½ | 1 |
| Good. & Worts | 6 | 2.55 | .. | ... | ... | ... | ... | 237 | 198 |
| Imperial Oil | 1.00 | 2.77 | 36¼ | 35½ | 35½ | 36 | 1964 | 38½ | 32½ |
| Inter. Petroleum | 75c | 2.20 | 34 | 33⅝ | 33⅞ | 34 | 385 | 35 | 29¼ |
| Manitoba Power | . | ... | .. | ... | ... | ... | ... | 42 | 24 |
| Newsprint Corp. | . | ... | .. | ... | ... | ... | ... | 27 | 18 |
| North St. Oil, c. (par $5) | . | ... | 1.10 | 1.00 | 1.10 | 1.00 | 79 | 1.10 | .75 |
| Do. pref. | 7 | ... | .. | ... | ... | ... | ... | 4.90 | 4.05 |
| Simpsons, pref. | 6 | 6.00 | .. | ... | ... | ... | ... | 102 | 99 |
| St. Maur. Val. | . | ... | 45 | 45 | 45 | 45 | 102 | 53½ | 40 |
| Toronto R. S. | . | ... | .. | ... | ... | ... | ... | 1.60 | 1.10 |
| Volcanic Oil (par $25) | 62c | ... | 26 | 26 | 26 | 27½ | 15 | 29 | 26 |
| Beacon Oil | . | ... | 17¾ | 17⅝ | 17¾ | 17¾ | 110 | 19½ | 14¼ |
| Attendu Eng. | . | ... | 43¼ | 39½ | 40 | 43 | 1692 | 43¼ | 7 |
| Belding, pref. | 7 | ... | .. | ... | ... | ... | ... | 101 | 75 |
| Canada Nor. Pr., com. | . | ... | .. | ... | ... | ... | ... | 30 | 29 |
| Cockshutt, pref. | . | ... | 57¾ | 57½ | 57½ | 57¼ | 50 | 57¾ | 62 |
| Dom. Eng. | . | ... | .. | ... | ... | ... | ... | 67 | 65 |
| Eng. Elec. com. (no par) | . | ... | .. | ... | ... | ... | ... | 24½ | 15 |
| Do. pref. | 3½ | ... | .. | ... | ... | ... | ... | 72 | 59½ |
| Nor. Mex. Pr. | . | ... | 42¾ | 42¾ | 42¾ | 43 | 25 | 55 | 41 |
| Illinois Power, pref. | 7 | ... | 98¾ | 98¾ | 98¾ | 97½ | 100 | 98¾ | 96 |
| N. S. Car | . | ... | .. | ... | ... | ... | ... | 11 | 5 |
| Paton Mfg., com. | . | ... | .. | ... | ... | ... | ... | 55 | 50 |
| Do. pref. | . | ... | .. | ... | ... | ... | ... | 98 | 75 |
| Page Hersey, com. | 7 | ... | .. | ... | ... | ... | ... | 183 | 160 |
| Do. pref. | 1¾ | ... | .. | ... | ... | ... | ... | 187 | 105 |
| Do. com. (new) | . | ... | 46 | 45 | 46 | 46½ | 680 | 47 | 43 |
| Do. pref. (new) | . | ... | 102⅛ | 101 | 101 | 102 | 315 | 102⅛ | 100½ |
| Power Corp. (no par) | . | ... | 23 | 23 | 23 | 24 | 10 | 28¼ | 23 |
| Pressed Metals | . | ... | 32 | 32 | 32 | 32 | 10 | 40 | 30 |
| St. Law. Pr. (no par) | . | ... | 37 | 37 | 37 | 38 | 15 | 46½ | 36 |
| St. Maur. Power | . | ... | 79 | 79 | 79 | 75 | 20 | 82 | 74 |
| Un. Sec., com. | . | ... | .. | ... | ... | ... | ... | 65 | 52 |
| Do. pref. | 6 | 5.79 | 104¼ | 103 | 103 | 103 | 21 | 105 | 103 |

## Canada Second as to Telephones Per Capita

NEW YORK. — Over the 16,072,758 telephones in the United States — one for every seven persons in the country—an average of 191 conversations per person are carried on in a single year, according to the fiftieth anniversary compilation of telephone statistics issued today by the New York Telephone Co.

The United States had 14.2 telephones for every hundred people; Canada had 11.6; Denmark, 9; New Zealand, 8.7; Sweden, 6.9; and Norway, 6.1. In Germany there were but 3.9 per 100 inhabitants; in Great Britain and Northern Ireland, 2.8, and in France, 1.7. The telephone systems in these three countries were under government ownership and operation.

### REORGANIZE CROWN RESERVE?

Crown Reserve is likely to be reorganized. Shareholders meet July 14. Such a decision seems likely. Working capital is needed. Shares are now selling around 10c.

## Public Utility Earnings

**Northern Mexico Power**

| For May— | 1925 | 1926 | Incr. | % |
|---|---|---|---|---|
| Gross | $83,380 | $105,740 | $22,360 | 26.82 |
| Net | 64,384 | 84,051 | 19,666 | 30.54 |
| For Five Months— | | | | |
| Gross | 395,967 | 508,869 | 112,901 | 28.51 |
| Net | 299,712 | 408,025 | 108,313 | 36.14 |

**WINNIPEG ELECTRIC**

| May | 1926 | 1925 | Incr. |
|---|---|---|---|
| Gross | $439,360 | $411,317 | $ 28,043 |
| Expenses | 308,138 | 300,072 | 8,065 |
| Net | $131,222 | $111,244 | $ 19,977 |
| 5 Months ended May 31st— | 1926 | 1925 | |
| Gross | $2,343,959 | $2,276,772 | $ 67,187 |
| Expenses | 1,613,368 | 1,636,512 | x23,143 |
| Net | 730,590 | 640,259 | 90,331 |

xDecrease.

**UNLISTED SECURITIES**

| | Bid | Asked |
|---|---|---|
| Can. Machinery, com. | 5 | . |
| Can. Westinghouse, com. | 162 | 166 |
| Cosgrave Brewery | 2 | 3 |
| Dom. Power, pref. | 97 | 99 |
| Farmers Dairy, com. | 48 | .. |
| Farmers Dairy, pref. | 100 | 102 |
| Dunlop Tire, pref. | 71 | 75 |
| B. Greening Wire, pref. | 94 | 96 |
| Copeland Flour, com. | 2 | 4 |
| Gunns, Ltd., pref. | 26 | 30 |
| King Edward Hotel, Deb. A. | 78 | 80 |
| King Edward Hotel, Deb. B. | 58 | 60 |
| K. & S. Tire, pref. | 19 | 23 |
| Loblaw Groc. pref. | 101 | . |
| Loew's Toronto, pref. | 85 | 87 |
| Loew's London, com. | 2⅞ | 3⅝ |
| Pure Food, com. | 28 | 31 |
| Mount Royal Hotel, pref. | 38 | 40 |
| Willard's pref. | 69 | 72 |
| Capital Life 25% paid | 23 | 26 |
| Continental Life 20% Paid | 36 | .. |
| Crown Life | 122 | .. |
| Empire Life | 22 | .. |
| Excelsior Life 25% Paid | 50 | .. |
| Great West Life | 360 | .. |
| Imperial Life | 260 | .. |
| Monarch Life 10% Paid | 22 | .. |
| Ontario Equitable | 25 | 27½ |
| Re-Insurance | 23 | .. |
| Security Life, 40% Paid | 30 | 34 |
| Sovereign Life, 25% Paid | 26 | 28½ |
| Toronto Finance, pref. | 5 | 6 |
| Trusts & Guarantee | 74 | 77 |

# Trade Papers an Increasing Force

"TRADE Papers are an increasing force in merchandising practice and in the sale of the manufacturers' product to-day," said William Findlay, of the McKim Advertising Agency, when recently addressing the Stationers' Association of Toronto.

This is due, Mr. Findlay pointed out, to the increasing importance of the retailer in the general scheme of distribution.

"That is why," he continued, "before any consumer advertising is undertaken, the manufacturer needs to be sure that he is receiving all the benefits possible from advertising to the trade which acts as the distributor of his goods."

The class of business papers which serves Canada is, in Mr. Findlay's opinion, distinctly a credit to this country and is second to none.

This was a splendid tribute to the value of Canada's Trade Press, of which the MacLean Business Papers are prominent members. These papers, which are listed below, are all members of the Audit Bureau of Circulation and are always ready to help manufacturers with their merchandising problems.

**The MacLean Publishing Company Limited**

143-153 University Avenue, Toronto

*Publishers of*

| | | |
|---|---|---|
| Canadian Grocer | Power House | Bookseller and Stationer |
| Hardware and Metal | Canadian Machinery | Printer and Publisher |
| Dry Goods Review | Canadian Foundryman | Sanitary Engineer |
| Men's Wear Review | Drug Merchandising | Canadian Automotive Trade |

PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

*HEAD OFFICE:*
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.

*Mills at* PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

St. Maurice Valley Corporation

*Successors to*
Belgo-Canadian Paper Company, Limited,
Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited
Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office:
CHICOUTIMI, P.Q.

Cable Address:
"SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

ROLLAND

FORTY-FOUR years' experience making high grade papers is back of every Rolland sheet. Where you see the "R" Shield Watermark you can confidently count on the highest quality too. Rolland papers live up to their name.

THE ROLLAND PAPER CO. LIMITED
*High Grade Paper Makers Since 1882*
MONTREAL
Mills at Mont Rolland and St. Jerome, P.Q.

# *Pulp and Paper*

## SPANISH BUYING NEW AND MODERN POWER MACHINERY

### Fear of Over-Production in Canadian Industry is Passing

**From Our Own Correspondent.**

MONTREAL.—In order to obtain the maximum efficiency from the hydraulic power available at its Soo mills, the Spanish River Pulp and Paper Mills has awarded a contract for 12 hydraulic turbines to William Hamilton Limited. The first unit of the new installation will be delivered shortly, and after being tested, 11 more will be supplied. The new equipment will replace the older machines and will drive 24 pulp grinders.

An interesting analysis of the position of the company and of the newsprint industry in general, has been prepared by Kingstone and Mackenzie, members of the Montreal Stock Exchange. This house asserts its faith in the future of both the industry and the company in question.

With regard to the industry the analysis says:

The newsprint industry of Canada has proved itself to an unusual degree one of the basic industries of the country, and its progress during the past 15 years has outstripped that of any other large industry. To-day it stands second only to agriculture in volume of production. In 1913 Canadian production of newsprint was only 350,000 tons, or about 1,000,000 less than that of the U. S. newsprint mills at that time. By 1925 Canada's production exceeded 1,500,000 tons, and had come within 8,000 tons of the total U. S. production. Early in the present year Canadian mills took the lead as the largest world producer, by passing the United States in volume of output, and from now on will become more and more the dominating factor in the newsprint industry of the world. Over 90 per cent. of Canada's production is exported, chiefly to the United States, where the growth in consumption has been phenomenal. In April Canadian mills supplied 95 per cent. of all United States imports.

Behind the remarkable growth of the industry in Canada stand unrivalled supplies of water power and pulpwood, and the recognition of the claims of existing mills by the provincial guarantees continuance of these conditions. These and other factors provide a distinct advantage to Canadian mills in low cost of manufacture.

**Overproduction Problem**

The problem of over-production, the analysis continues, through the installation of additional tonnage, does not present serious difficulties. During the first months of the present year an average daily increase in output in Canada and the United States of 1,269 tons failed to keep pace with the increase in consumption, as compared with last year. It may be that new tonnage coming into production during the balance of 1926 and early in 1927 will cause a real surplus (that at present does not exist), and a slight curtailment in present capacity production, or even a slight reduction in existing prices, temporarily. The immediate effect of either result, it is believed, would be that a number of the smaller and higher cost mills in the United States would suspend operations on newsprint, and either close up their plants or change over to more productive lines, like book paper or specialties. Thus the situation would readily, and we believe, rapidly, correct itself. Any temporary cut in prices would also tend to discourage new industries from entering the field, and the sound existing mills in Canada should soon resume production close to capacity and normal profits.

With regard to the company itself, the analysis briefly outlines its history since organization in 1910, pointing out that the three mills at Espanola, Sturgeon Falls and Sault Ste. Marie are operating with a capacity of over 700 tons daily.

Attention is called to the relatively low capitalization of $10,920,140 bonds, $8,619,500 preferred, and $9,447,000 common, as against total assets of $44,682,123, with net working capital of $9,427,672. Reserves and surplus total $13,219,994.

Earnings for the past five years are shown to have never fallen below ten per cent. on preferred and common stocks, being shown at the high of 17.27 per cent. in 1924, and at the low for the period of 10.13 per cent. in 1922. The book value of the preferred is worked out at $279 per share, and $163 per share for the common. Attention is called to the fact that the common stock of the company stands almost alone among the junior securities of leading newsprint companies in that it has never been "split."

## I. P. Co. Is Progressing With Gatineau Dams

**From Our Own Correspondent.**

MONTREAL.—The International Paper Co. has declared an initial quarterly dividend of 50 cents per share on its common stock, payable August 16 to holders on record August 4. The dividend notice came as something of a surprise to the shareholders for no action was anticipated at the present time. The fact that the directors felt justified in declaring a dividend when the company is in the middle of such a large programme of expansion indicates that they believe the outlook for the future to be bright.

In order to increase and regulate the flow of the Gatineau River, the company is erecting a storage dam at Bitobe, about 116 miles above Chelsea, P. Q. The work is making good progress and in some places the concrete has been poured in the piers.

The whole of the work is being undertaken under the direction of the Quebec Streams Commission and the artificial lake which will be created will have a surface area of 64,000 acres; it will drain an area of about 6,200 square miles. The water which is thus to be stored will provide a flow at Chelsea of from 8,000 to 10,000 cubic feet per second.

## Newsprint Field Tempts Producers of Sulphite

**From Our Own Correspondent.**

MONTREAL. — Investors may have wondered why there is a tendency amongst the sulphite pulp companies to enter the newsprint field. The real answer, of course, is the fact that there is more money to be made there.

But, underlying this reason, there is the added factor that it requires about two cords of wood to produce one ton of sulphite, whereas only about one and a quarter cords are required to produce one ton of newsprint paper. From a ton of newsprint the companies can obtain a profit of, say, $15, and from one ton of sulphite they can obtain a profit of, say, $5.

Thus, from each cord of wood manufactured the sulphite companies earn $2.50, whereas the newsprint producers earn around $12. The mainstay of any pulp or paper company consists in its reserves of timber and, therefore, it is but natural that some of the sulphite producers regard enviously the earnings from each cord of wood made by the newsprint companies.

In time, of course, economic laws will function, and thus the producers of sulphite will obtain prices comparable to other branches of the industry. In the meantime the sulphite market shows signs of weakness—a weakness which has developed within the last month or two and which hardly measures up to the hopes which were expressed at the beginning of the year

## ROTHERMERE SAYS PRICES GOING UP

### In Selling Debentures Indicates That Future Better Prices Assured

**From Our Own Correspondent.**

MONTREAL. — The Anglo-Canadian Paper Mills offered on the London market this week a debenture issue of £1,800,000; it was largely over-subscribed.

The company is headed by Lord Rothermere and Frank Clarke, of Quebec, and was formed to supply the Rothermere press with its newsprint requirements. The mill is being erected near Quebec and is to use wood from its Manicouagan River timber limits on the north shore of the St. Lawrence. In addition to the debenture issue, there was also purchased privately in London a preferred stock issue of $7,000,000.

It is interesting to note that this is the first wholly British financing of any Canadian enterprise since pre-war days. Possibly the over-subscription of the debenture issue was largely due to the efforts of Lord Rothermere, who took care that the new issue received proper publicity.

In dealing with the formation of his company in Canada, Lord Rothermere, writing in one of his papers, declared that the supply of pulpwood was already definitely limited, and that it is being consumed at a speed which is causing great concern to those acquainted with the facts. On both sides of the Atlantic the demand for newsprint is rapidly rising, he continued, and those in close touch with the pulp and paper trade have been aware for some time past that it is within measurable distance of a crisis. Heed will be given to hitherto neglected warnings when a sharp rise in price shows that the pulp famine has already set in, he predicts. The time when this is expected is being rapidly brought nearer by the extremely rapid development of the manufacture of artificial silk and wool.

The president of the Anglo-Canadian Paper Mills is Lord Rothermere; Frank W. Clarke is vice-president, and the directors are Sir Herbert Holt, Senator Smeaton White, and R. C. McMichael, of Montreal; John Cowley, E. A. Sursham, and the Hon. Esmonde Harmsworth, M.P., London, and Frank J. Humphrey, New York.

Contracts for the dredging of the St. Charles River and the construction of wharves at the properties owned by the Anglo-Canadian Pulp and Paper Company at Limoilou will be awarded at the end of next week. Tenders were received several weeks ago.

Several Canadian firms, either from Quebec or Montreal, are among those which have tendered to execute the preliminary work. Tenders for the construction of the mills will be sought next month. It is estimated that over $6,000,000 will be expended on construction work.

## Howard Smith Common Dividend is Anticipated

MONTREAL.—Steady buying of Howard Smith Paper common in the market has continued for some little time, and has served to hold the stock steady in the vicinity of 50. It is stated that this buying has been in the expectation of a dividend on the stock within a reasonable time. According to information received the company's business is running along highly satisfactory lines at the present time, and the results are of the kind that promise holders of the common shares some tangible return. This is likely just as soon as the directors attain their objective in the building up of a strong financial position for the company, through the piling up of its liquid assets.

During the past two years net earnings available on the common have run in the vicinity of 4.80 per cent. on the average, while prior to then they were very much higher. This year, it is stated, there will be shown a good improvement in the results. The present common stock was started upon a dividend basis in 1920, in which year 5 1/4 per cent. was paid. In 1921 the payment was 8 per cent.; 1922, 6 1/2 per cent.; 1923, 6 per cent.; 1924, 2 1/2 per cent., the last payment of 1 per cent. having been made on July 21, 1924.

## WORK STARTS ON STE. ANNE'S

MONTREAL.—Work on the new Ste. Anne Paper and Power Mills at Beaupre, 23 miles east of Quebec, has started, several hundred men being employed. It is expected the pulp and paper mills will be ready to operate in December. This property is controlled by the George H. Mead interests and doubtless will be linked up in its selling effort with both Spanish River and Abitibi.

## LAURENTIDE ELIMINATES LOAN

MONTREAL.—The last annual report of the Laurentide Company showed bank loans of $2,315,308 and, while frequent reports have been printed, indicating that this item has been more than materially reduced, The Financial Post hears from an authoritative source that the company has entirely eliminated this item from amongst its current liabilities.

## ORDER FOR "CEMENT"

MONTREAL.—It is understood that the Canada Cement Company has secured a contract from the Kimberley-Clark Company for nearly 200,000 barrels of cement for the big pulp and paper development at Kapuskasing, Ontario. The New York Times is jointly interested with the Kimberley-Clark Company in the project, and, by 1928, the proposed mill will be producing 550 tons of newsprint daily.

DOMINION TEXTILE CO., LIMITED

PRUE

MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinner's Fine Counts of Yarns

Atlantic Sugar Refineries
LIMITED

Lantic Sugar

General Offices
211 McGILL STREET
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MAPLE LEAF
INDUSTRIAL
ALCOHOL
*HIGHEST QUALITY - BEST SERVICE*
Ethyl Alcohol—Cologne Spirits, Denatured Alcohol (all formulae)

CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED
TRADE MARK

We maintain a Technical Service Division which stands ready at all times to cooperate to the best of its ability with the trade.

Canadian Industrial Alcohol Co., Ltd.
MONTREAL CORBYVILLE
TORONTO WINNIPEG VANCOUVER

DOMINION BRIDGE CO.
LIMITED
Montreal, P. Q.
ENGINEERS, MANUFACTURERS *and* ERECTORS *of* STEEL STRUCTURES

HEAD OFFICE AND WORKS:
Lachine Locks, P.Q.
P.O. Address, Montreal, P.Q.

BRANCH OFFICE AND WORKS:
Toronto, Ottawa and Winnipeg.

Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.

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Manufacturers of High-Grade
Knit Underwear, Hosiery, Sweaters
MILLS AT PARIS, Ont. BRANTFORD, Ont. LONDON, Ont. WATERFORD, Ont. ALMONTE, Ont. COATICOOK, Que. and *ST. HYACINTHE, Que.

General Office: Paris, Ont.

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SELLING AGENTS TO RETAIL TRADE
Edward Burns Co., Ltd., Toronto, Ont.
B. S. MacFarlane, Montreal, Que.
John J. Wilson, St. John, N.B.
Bryce & Co., Ltd., Winnipeg & Vancouver.
EXPORT REPRESENTATIVES
J. J. Jardine, St. John's, Nfld.

H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.

NEWBOLD C. JONES
FREDERICK NEWTON

BRIAN HEWARD
JOHN D. MACPHERSON

JONES, NEWTON & HEWARD
MEMBERS MONTREAL STOCK EXCHANGE
105-106 TRANSPORTATION BUILDING
TELEPHONE MAIN 2411*.

## *Iron and Steel*

# RUSSELL MOTOR RESUMES ON ITS COMMON SHARES

### Stock Sold Up From $5 to $44½ Since Early Last Year

When Russell Motor common stock was selling at $5 a share early last year there was little prospect of a recovery which would permit of resuming dividends by the middle of 1926, and yet it is what the directors have been able to do. By the latter part of 1925 the stock had recovered to around $40 and it has since been selling about that level. In resuming the dividends the directors also indicate their confidence in the company's ability to maintain earnings on the present basis. The payment is three per cent. A dividend of seven per cent. was paid annually on the common between the years 1917 and 1921 and four per cent. for 1921, but none since. The regular dividend of 1¾ per cent. on the preferred for the quarter ending July 31, has also been declared.

The Russell Motor Car Company was incorporated in 1899 as the Canada Cycle & Motor Co., to acquire the plants and consolidate the business of Goold Bicycle Co., Gendron Manufacturing Co., H. A. Lozier & Co., Welland Vale Manufacturing Co., and the bicycle department of the Massey-Harris Co. The name was changed to the present title in April, 1911. The operations of the company are represented by stock holdings in the following companies: Russell Motor Car Co., Buffalo, N.Y.; Willys-Overland, Ltd., Toronto; Canada Cycle & Motor Co., Ltd., Weston; and Canadian Acme Screw & Gear Co., Ltd., Toronto. In 1915 Russell Motor disposed of the company's real estate at West Toronto and the plant, machinery, stock in trade, good will, etc., used in connection with its motor vehicle branch, to Willys-Overland, Ltd., receiving therefor stock of Willys-Overland and $100,000 in cash. Canada Cycle & Motor Co. has an authorized capital of $2,000,000 of which $1,350,000 is paid up, all owned by Russell Motor Car Co., except directors' qualifying shares; it manufactures bicycles, skates and accessories at its plant at Weston. The Canadian Acme Screw & Gear Co., Ltd., was incorporated in 1924 as an amalgamation of the Russell Gear & Machine Co., formerly known as Machine & Stamping Co., and the Canadian branch of the National Acme Co., of Cleveland. All the stock of the Canadian Acme Screw & Gear, Ltd., is owned jointly by Russell Motor Car, Ltd., and National Acme Co., of Cleveland.

Russell Motor Car Co. has $800,000 common and $1,200,000, seven per cent. preferred stock outstanding. The range of market prices in recent years follows:

| | 1926 | 1925 | 1924 | 1923 | 1922 |
|---|---|---|---|---|---|
| Common | | | | | |
| High .. .. .. | 42 | 44½ | 35 | 36 | 50 |
| Low .. .. .. | 39½ | 5 | 17½ | 17 | 26 |
| Preferred— | | | | | |
| High .. .. .. | 89½ | 88 | 80 | 75 | 60 |
| Low .. .. .. | 78 | 74½ | 48 | 47¾ | 49¼ |

The following summary indicates the company's earning record in recent years:

| Year Ending July 31 | Net Prof. | Divs. | Surp. | Total |
|---|---|---|---|---|
| 1922 .. | $117,499 | $116,000 | $1,499 | $473,118 |
| 1923 .. | 90,551 | 84,000 | 6.551 | 479,669 |
| 1924 .. | 92.863 | 84,000 | 8.863 | 488,533 |
| 1925 .. | 115,505 | 84,000 | 31,505 | 520,038 |

T. A. Russell is president of the company, A. E. Ames, vice-president and J. N. Shenstone, H. D. Scully, J. W. Gibson, E. B. Ryckman and G. W. Suggitt, all of Toronto, directors.

### Pig Iron Output Up While Steel Drops

An analysis of the steel situation in Canada during the first five months of the year shows that the output of pig iron has increased but steel production has fallen off badly, while exports of raw materials have expanded. Pig iron output for the first five months was 300,010 tons against 245,109, an increase of 22 per cent. At the same time steel ingots fell from 360,537 tons last year, to 349,904 tons this year for the first five months.

An explanation of the situation outlined is found in part at least, in the increased exports of rolling mill products, the total of which increased from $641,072 to $2,020,051 in the last two years. Total iron products exported rose from $58,181,031 to $76,605,041. Pigs and ingots exported increased from $1,237,956 to $2,597,728.

### Steel of Canada Common Meeting Investment Demand

Despite the financial difficulties of the British Empire Steel Corporation, the steel industry in Canada is enjoying a good volume of business and this is being reflected in the operations of the Steel Company of Canada, whose stock is sharing to some extent in the popularity enjoyed by U. S. Steel and other steel securities in Wall Street. It is understood that earnings of Steel of Canada for the first half of the year will run well above those of the corresponding period of last year, and the impression is gaining ground that 1926 will show larger earnings on the common stock than for any period since before 1919. The common stock is steadily going into investment hands as the soundness of the company's position and its bright future is better realized.

### Dominion Bridge Benefits From Industrial Building

MONTREAL.—Quite a number of factors are cited as bases for optimism on the outlook for Dominion Bridge in quarters which have been identified with recent buying which has put the common above par. Primarily, of course, optimism is built up on the record volume of building for the year to date, and building of a nature calculated to give the company more work than has been the case in a long time. Industrial construction, involving the use of heavy steel work, amounted to nearly forty per cent. of all Canadian building in June. It is pointed out that this is particularly gratifying in view of the fact that the company has a back log for the next three or four years in the form of the Montreal-South Shore bridge.

In a recent interview President G. H. Duggan spoke quite encouragingly of the business situation, and Mr. Duggan is always prone to look upon new business in almost any quantities as a matter of course. It is further maintained that the company stands to benefit in a material measure in any impetus in the direction of general expansion that may come as a result of the change in the political situation, and high hopes are entertained that this result will be realized.

### Dominion Engineering is Enjoying Good Business

MONTREAL.—In connection with the movement in Bridge it was noted that in the unlisted department, Dominion Engineering shares showed decided strength. The business of the engineering company is known to have been very active for a long time, seven or eight months ago having been obliged to refuse orders for paper mill machinery. Plans are going ahead for the construction of several new paper mills and Dominion Engineering is certain to secure its share of the new business in its line which this new development will entail. The stock of the subsidiary company is very closely held, there being only 23,000-odd shares outstanding of which Dominion Bridge owns something like 57 per cent. or over thirteen thousand shares.

### Record Output at Besco Collieries in Cape Breton

**From Our Own Correspondent.**

SYDNEY.—On June 25 Besco collieries had the biggest output in 11 years, hoisting 26,710 tons of coal. Of this amount, 19,309 tons were obtained at pits in and around Glace Bay. Merchants of the town report business the best since the war, with miners not only buying freely for cash, but paying something on back debts as well.

### ALUMINUM CO. TO START OUTPUT

PITTSBURGH.—Aluminum Company of America will start production at its new Saguenay River plant in Quebec in September. Initial output will be from only a few pot rooms, but development eventually will include power facilities, a complete city to house employees and extensive plants for large scale production.

### ONT. STEEL HAS GOOD YEAR

MONTREAL.—The annual financial statement of the Ontario Steel Products Company for the year ending June 30 will appear next month, when it is expected to reveal the fact that the company has enjoyed one of the best years that it has ever had. The report will show a further reduction in the goodwill account and an increase in the reserve to take care of the bonded indebtedness at maturity.

### C.P.R. Is To Purchase Seven New Vessels

**From Our Own Correspondent**

MONTREAL.—On his return from Britain, E. W. Beatty, president of the Canadian Pacific Railway Co., confirmed the fact that the company has let contracts for two passenger ships of the "M" type. He also announced that the contracts, for three freight vessels had been distributed between three yards on the Clyde and on the Tyne. The freighters will be modern in every respect and are to be equipped with all the latest improvements in refrigeration and freight handling facilities.

The company is to let contracts for two vessels, but it is the management's intention to investigate further the efficiency of the Diesel engine, particularly as to its use in the Pacific trade.

Mr. Beatty said that the prospects for traffic on the North Atlantic this year were better than last, the results so far having justified the opinion formed last year that a gradual improvement was to be expected. "There still exists," he said, "more tonnage than is necessary, but it must not be forgotten that a good deal of this will have to be replaced because the vessels are scarcely suited for North Atlantic service, either through age or their type of construction. There is very little prospect of successful operation under present day conditions, with boats that are not modern in every respect and equipped with methods of propulsion which ensure the greatest possible economy in fuel consumption.

### Cosgrave's Get Permit And Pay the Dividend

Shareholders of Cosgrave's received cheques, for dividends, which were withheld by the management following the cancellation of the permit to manufacture 4.4 per cent. beer, the permit having again been issued. Shareholders of the company were advised by President J. F. Cosgrave about the 16th of the month, that owing to the fact that the company's permit to sell 4.4 beer was temporarily suspended by the attorney-general of Ontario, the directors did not consider it wise to disburse the dividend, which was to be paid on June 15, as long as the suspension lasts. The company set aside the amount necessary to pay the dividend and now that the permit has been renewed, cheques for the dividends due on the 15th of June were yesterday mailed to shareholders.

To Assist You
In Making
Your Will

We have prepared some very interesting literature in descriptive form which is now ready for distribution. It contains much information of value to those contemplating this important duty.

*A copy will be forwarded, without obligation, upon request.*

THE
STERLING
TRUSTS
CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

## *Public Utilities*

(Continued from page 5)

### Winnipeg Electric Helped by Individual Development

WINNIPEG.—During his visit to the city in connection with the meeting of the board of Winnipeg Electric. A. J. Nesbitt declared that the stimulation of industrial development was of paramount importance to Canada and that Winnipeg was in a particularly favorable position on account of its reasonably priced hydro-electric power.

In Manitoba, the erection of the Manitoba pulp and paper mill at Pine Falls was an indication of the development which was in store for this part of the country, and in connection with the operation of this industry, the Manitoba Power Company was spending $1,250,000 on the extension of its plant at Great Falls.

### Montreal Telegraph Lost On Income Tax Ruling

MONTREAL.—The announcement of the regular dividend of two per cent. on the stock of the Montreal Telegraph Company, which points out that this same two per cent. will be paid "less income tax," draws attention to a very interesting situation and one, possibly, without an exact parallel in Canada. The dividend payable on July 15 will have deducted from it the old corporation income tax rate of 10½ per cent. In the case of future dividends, however, commencing with the one that will be paid on October 15, the deduction from the dividend total in each case will be only nine per cent., the reduced rate under the new law. Thus, where a shareholder might receive $1,000 as dividends the deduction now would be $105, but in future this would be reduced to $90. The explanation of this rather unique situation goes back to a court judgment rendered against the company early last year, when it lost in an action taken by the income tax department to compel payment for some eight years previous of the regular corporation tax. The company had taken it for granted that, being only a holding organization—all its income being derived from a lease of its system by the Canadian National Telegraphs—it would not be required to pay this tax.

### Bell Telephone Shares Favored as Investment

It is rightly regarded as one of our best investment stocks, as the company operates under the supervision of a government commission, which settles the rates to be charged by the company to the public, says Edward Cronyn & Co. The principle on which these are settled has been laid down after exhaustive inquiry, to be that the company should be allowed to pay eight per cent. on its capital stock, and the charges are based on that.

The commission is at the present time considering an application by the company for an increase of rates and the stock sold off quite sharply when the commission refused to permit the company to increase its charges prior to a consideration of all the evidence upon which the final decision will be based, but lately the price returned again to 139 ex-dividend, after being down to 131. That price is the equivalent of 141 cumulative-dividend. At 139 the return is only 5¾ per cent., but from time to time shareholders get the benefit of new issues of stock at a price below the market and this brings the return up over a period of years to a considerably higher rate. In fact, considering its safety, it makes the investment an outstanding one in our market.

### Brazilian Traction Has Good Prospects for Future

Regarding Brazilian Traction's statement of earnings for May and the five months which had no great effect on the market, O'Brien & Williams comment: "Brazilian Traction's remarkable statement of earnings for May and the five months fell rather flat as far as the market was concerned. We are at a loss to know why the figures did not arouse new flights of enthusiasm on the part of the bulls. When it is considered that the new water powers to come into action later in the year will result in still greater gains in earnings, it is obvious that Brazilian is on the threshold of more ample payments to the shareholders. Street rumors embrace a straight increase in the dividend, a two for one split and a stock dividend to reimburse the shareholders for the years they were without any dividend at all. The latter suggestion seems to us to be a good one and it is obvious that the company is in a position to give the shareholders more generous treatment than they are now receiving."

In the Path of the Fire—

LIE not only Canada's great forest wealth, but homes and human life.

Be watchful of fire when in the woods. Leave no spark or ember unextinguished. Your carelessness may destroy valuable timber or priceless lives.

G624

The Royal Bank of Canada

Automobile and Piano Paper
MANUFACTURERS FINANCE
CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - $6,500,000

CANADA—
what of the Future?

THE Bank of Toronto, closing its seventieth year of banking service to the Canadian people, finds itself compelled to express satisfaction, even amazement, over the achievements and progress of the Dominion in the first quarter of the new century.

Canada's trade has grown in this period not by the million but by the hundreds of millions. We are doing business with the world in a measure beyond any expectation of 25 years ago. There was never a period in Dominion history when, despite the war-born burdens we have been compelled to carry, the certain greatness of this country loomed so large upon world horizons.

What of the future?—the new quarter century?

Canada with millions of acres of virgin soil as yet unsettled and untilled, much of it adjacent to railway facilities is the future home of millions of selected immigrants.

Canada has scarcely touched her enormous coal resources. Canada today imports more than $150,000,000 of manufactured metals, largely because our own base metals thus far have been developed only in a small way. Precious metal production will soon bring us into second place in world gold production, and our vast precambrian mineral-bearing rock formation in the North has been prospected over a mere fraction of its surface.

Our water power resources have been described as the greatest pawn in deciding the industrial future of this continent. Our forest resources, not only as great storehouses of timber, but as producers of newsprint and pulpwood, have shown the way to Canada in the possibilities for the development of new industry.

And these are but a few of our great major industries and resources, the future developments of which will be equalled in other minor divisions of industry.

Seventy years ago today (July 8, 1856) the founders of the Bank of Toronto opened the doors of the bank. On this anniversary we have sought to express some augury of the future greatness of Canada. Our history has been closely allied with the history of the Dominion; our faith in Canada never has flagged; our development has gone arm-in-arm with the forward-looking spirit that sees the greatest era of progress just ahead.

On this day, we pay homage to the founders of this institution and subscribe to the sound enterprise and the spirit of public service to which the efforts of our staff, past and present, have been dedicated.

"Onward to Canada's Greatest Half Century" may well be the watchword of a united, sanguine and determined people.

THE BANK OF TORONTO

265A

# Food Products

## NATIONAL GROCERS MERGER EFFECTS HUGE ECONOMIES

### Over Sixty Salesmen Have Been Eliminated Out of 224

Holders of the stocks of food products companies have followed with interest the merger movement in which National Grocers Limited was one of the leaders. The economies and advantages that have resulted from this merger of grocery firms are outlined in the following excerpt from an address delivered by Alvar H. Simpson to the National Wholesale Grocers Convention at Rochester:

Although great economies of operation have been performed in the servicing, accounting, financing and our internal departments, none have been so outstanding as the tremendous reduction in selling expense brought about by the sales department by zoning territories and allotting salesmen. Out of a staff of 224 salesmen, over sixty men have been eliminated with a saving of over $180,000 per annum in expense and the sales volume is being well maintained.

In addition, some eight houses were closed up where duplication of effort occurred, with a consequent saving in operation, as compared to the individual companies, of a very large amount per annum. Savings of import expense and our ship of state is, we confidently believe, now well trimmed, decks cleared, with full steam ahead; ordered and we feel able to do battle creditably and profitably in the great field of activity, the distribution of the people's food.

The retailer, too, is a most important partner in our plans. We have inaugurated a department called "Retail Service," or a resale division of the sales department and under the leadership of the speaker, meetings have been held from one end of Ontario to the other, at which many thousands of retailers have been present. At these meetings we are building good-will for our company, convincing the retailer of our sincerity in working to assist him to better his display and sales.

We have already received signed contracts from between two to three thousand retailers in Ontario, who have agreed to window display, promote sales and get behind products which we feature co-operatively from week to week. These products are backed by advertising in local papers covering our branch areas.

**Co-operate With Manufacturer**

This wonderful service we are placing at the disposal of the manufacturer of quality products, bearing high reputation with the consumer. We are attempting a campaign similar to a National Sunkist Orange Week, on well known products. The promotion is all handled by our company at small expense to the manufacturer. No other organization could give such a valuable sales promotion service with all factors, dealers, windows, clerks, advertising, jobber, salesmen, sample distribution, all co-ordinated and functioning at one time all over the country.

Dealers are enthusiastic over the project; we believe by this plan we shall direct the attention of the consumer to the independent retailer, get the retailers interested in constructive merchandising, bring sales to his store, give the manufacturer results formerly impossible. The day of demoralized merchandising as applied to nationally advertised goods will be replaced by a constructive scientific distributing system, passing the products of the reputable manufacturers on to the final sale for consumption, by the cheapest and most efficient, complete marketing method.

These are days of advancement. We see it on all hands. If we have been a party in the past to antiquated methods and inefficiency, it is our duty to work together to bring about a state of progress that will hear the stamp of public approval and the close co-operation of retailer and manufacturer toward that end.

## Sugar Refineries Feel Increasing Competition

**From Our Own Correspondent.**

MONTREAL.—The total sugar manufactured by the Canadian refineries during the four weeks' period ending June 19 amounted to 101,459,182 lbs., as compared with 110,005,177 lbs. in the corresponding period last year. For the year to date the refineries have turned out 447,572,776 lbs., as compared with 508,601,773 lbs. last year.

Probably the decline in the amount manufactured in Canada is accounted for by the imports of refined sugar, which, in May, 1926, amounted to 4,067,900 lbs., as compared with only 1,458,852 lbs. in May last year. Whilst the imports of refined increased, the imports of raw sugar dropped from 127,717,680 lbs. in May, 1925, to 59,095,000 lbs. in May, 1926.

What seems a natural corollary to these figures is the drop in the exports of Canadian refined sugar during May; there were exported 16,809,400 lbs., as compared with the much larger total of 43,096,000 lbs. in May, 1926.

## Heavy Demand For Our Flour in South America

The Canadian Trade Commissioner in Brazil reports that there is a large potential demand for Canadian flour in Brazil. He states that owing to the shortage in the Argentine wheat crop, Argentine flour is scarce and dear and the imports from that country, which normally supplies the bulk of Brazil's requirements, will, it is anticipated, be much smaller than usual. An early estimate of the Argentine wheat crop placed it at 5,845,000 tons, but a later estimate of the middle of May places it even lower at 5,202,063 tons. This shrinkage is attributed officially to the heavy rains in the last days of December and the first days of January. The Trade Commissioner's office in Buenos Aires reported on April 17 that for the period January 1 to March 11 wheat exports from the Argentine fell from 1,332,556 metric tons in 1925 to 577,638 tons in 1926, while wheat flour exports fell from 32,440 metric tons to 28,417. From a communication issued to the press by the Brazilian Department of Agriculture it is noted that the exportable balance of wheat and wheat flour in the Argentine on April 9 was 2,211,560 tons. In this estimate 2,100,000 tons were allowed for local consumption and seed. From January 1 to April 8 the export of wheat and wheat flour reached 1,000,081 tons. In 1924 Brazil alone imported from the Argentine just under 500,000 tons of wheat and a little over 100,000 tons of flour. There is ample evidence therefore of a good opening here for Canadian flour. This statistical situation is confirmed by importers, who state that there is a definite shortage of flour and a special opening for the Canadian product. Furthermore, apart from present conditions, the last few years have witnessed a growing demand for flour of North American origin. Canadian sales were valued in calendar year 1924 at $209,222, and in 1925 at $317,231, and in January of this year at $50,000.

## Eastern Grocers Ltd. Shows Healthy Growth

Illustrating the growth of Eastern Dairies Limited along progressive lines is confirmation of the recent announcement that the company has taken over the business of the Acme Dairy, one of the leading dairies in Toronto. As milk is one of the most important and most consistently consumed of all necessaries, well organized companies handling this product of the farm and its by-products are now regarded as excellent investments. When many other forms of industry languish, the milk business pursues an even demand, all other foods being subverviated to a plentiful supply for all household requirements.

Eastern Dairies Limited, was organized in Montreal recently and financed under the auspices of Nesbitt, Thomson & Company. It acquired two going concerns in Montreal and one in Ottawa, and has now added the Acme of Toronto to its list.

It is understood to be the object of the promoters to expand the scope of its operations consistently by the acquisition of desirable properties from time to time. By the handling of products of unquestionable merit and the elimination of much waste and overlapping of effort and needless expense in the receipt and delivery of milk it is anticipated that without additional cost to consumers profits will run along attractive lines to investors.

## Dominion Stores Firm: Preferred is Retired

Following the retirement of the preferred stock issue by Dominion Stores, the common stock of the company has moved up close to the high point for the year, touching 65⅞, against a high for 1926 of 68, and a high for last year of 72¾. The $593,500 first preferred shares have been retired and shareholders have been advised that they may turn in their old certificates to the Trust and Guarantee Company in exchange for new certificates. The preferred stock of the company has now been all retired and there are only 75,000 no-par common shares outstanding. There has been paid $115 a share plus the accrued dividend of $4 a share for every share of the preferred which they have redeemed.

## Canada Bread Common Reaches New High

Shareholders, both of Maple Leaf Milling and of Canada Bread are interested in the gratifying firmness of Canada Bread common stock which reached a new high this week of 77½. The persistent strength of this stock is the cause of much speculation especially since it is not yet on a dividend basis. It is the feeling of the street that the market is discounting something in the way of a dividend announcement. The company has had a successful half-year —better, it is said, than the first half of last year when more than 9 per cent. was made. The company, which is controlled by the Maple Leaf Milling Company, has branches in a number of the important centers of Eastern Canada, and is showing steady growth. There has been a rumor that steps will be taken to retire the $1,051,800 bond issue which is the senior security of the company, but no official confirmation has yet been given out.

## Lake of Woods Flour Common Firm at 142

Lake of the Woods Flour common stock has shown some firmness in the face of a generally weak market for the milling stocks. A quotation of 142 was made this week. This is a high point since the beginning of last month. The high point for the first half-year was 175 and the low was 140. Foreign demand for flour is reported to be somewhat better.

## Few Transactions in Maple Leaf Milling

Practically no sales of Maple Leaf Milling common stock have taken place since the publication of the annual report of the company showing decreased earnings for the past year. The stock receded to 57 from a high point for the half year of 88. The preferred shares remain strong at 95.

## LOBLAW REPORT SHOWS BIG RISE IN NET PROFITS

### Book Value of Common Stock Figures Out at $3.94 a Share

Earnings of $2.04 a share on the 144,000 shares of the Loblaw Groceterias Limited outstanding, including reserves for taxes, is the outstandingly creditable showing made by that company during the year closed May 31. Since the stock was split two for one during the year, these earnings are the equivalent of $4.08 on the old capital as against about $3.00 during the previous year. Net profits of $395,272 against $275,615 last year, an increase of 43 per cent. are indicative of the eminently successful operations carried on by the company during the year. Stores were increased in number from 29 to 40 and the volume of sales grew from $6,135,192 to $7,717,459 which is an increase of 25 per cent.

The total available for distribution growing out of last year's business was $812,991. Of this amount, prior preference shares took $37,553; second preference dividends, $28,440, and common dividends $144,000. The premium paid on preference stock redeemed was $118 while income tax reserved for the 1926 period was $35,693. This leaves a balance carried forward into the new year, of $567,185, an increase of $153,619 over that brought forward from last year.

The profit and loss account for 1926 business compares thus with that of 1925:

| | 1926 | 1925 |
|---|---|---|
| Bal. forward | $413,567 | $202,866 |
| Net profits | 395,272 | 275,615 |
| Tax adjustment | 4,152 | 8,672 |
| Total | $812,991 | $487,153 |
| Div. prior pref. | 37,554 | 3,369 |
| Div. 1st pref. | ...... | 10,466 |
| Div. 2nd pref. | 28,440 | 28,440 |
| Common div. | 144,000 | ...... |
| Prem. pfd. stock | 119 | 2,325 |
| Taxes | 35,693 | 29,075 |
| Carried forward | $567,185 | $413,567 |

**Working Position is Secure**

A very strong working position is revealed by an analysis of the balance sheet of the company. Current assets of $989,921 against current liabilities of $525,054, including tax reserve and mortgages payable, leaves net working capital of $464,868 against $407,152 at the end of last year. The investment list includes 2,600 shares of the common stock of the company booked at $1; 150 shares of Loblaw Groceterias of Alberta, $15,000; life insurance of $10,531 and mortgages receivable of $7,500; deferred charges on operations are $56,059; capital assets are placed at $1,104,612 less depreciation of $212,615, or $891,997. Good-will is valued at $360,000.

Liabilities of the company include a contingent reserve of $19,470; prior preference stock totals $619,300 and second preference stock $240,000, since redeemed. The 144,000 shares of no par common are valued at $360,000, the estimated value of good-will. This is the equivalent of $2.50 a share.

The balance sheet figures for the past two years follow:

| Assets | 1926 | 1925 |
|---|---|---|
| Cash | $ 252,061 | $ 24,471 |
| Inventories | 723,483 | 618,479 |
| Owing by underwrit | ...... | 209,800 |
| Advances | 14,377 | 5,634 |
| Current assets | $ 989,921 | $ 858,384 |
| Investments | 33,032 | 30,033 |
| Deferred charges | 56,059 | 67,700 |
| Fixed assets | 891,997 | 809,172 |
| Goodwill | 360,000 | 360,000 |
| Total assets | $2,331,010 | $2,115,289 |
| **Liabilities** | | |
| Bank advances | ...... | $ 91,555 |
| Payables | $ 464,262 | 359,677 |
| Current liability | 464,262 | 451,232 |
| Deferred liability | 60,793 | 115,390 |
| Contingent account | 19,470 | ...... |
| Capital | 1,219,300 | 1,135,000 |
| Surplus | 567,185 | 413,567 |
| Total liability | $2,331,010 | $2,115,289 |

The book value of the 144,000 shares of common stock on the basis of a surplus of $567,185 figures out at $3.94 a share. In June of this year, weekly sales averaged $175,857 a week against an average of $102,724 for the same month last year, a rise of more than 70 per cent.

## Wm. Patterson Company Has Made Assignment

Shareholders of the William Patterson Company, Limited, Brantford, manufacturers of biscuits and confectionery, are notified by the directors of the company that the firm has found it necessary to make an assignment to the official receiver there. The Trust and Guarantee Company of Toronto has been made custodian of the estate. Additional capital is necessary, and the only means of protecting the present shareholders, according to the letter circulated, is by subscription of the necessary capital by those shareholders. No definite plan has yet been formulated.

## Canada Continues as Best Buyer of American Steel

In the eleven months ending May, 1926, Canada took 395,352 tons of the nine leading iron and steel items of export from the United States. Japan held second place with 144,657 tons, followed by Cuba, with 58,280 tons and Mexico with 33,008 tons.

Canada's imports were as follows:

| | May 1926 | May 1925 | 11 Months ending May 1926 | 11 Months ending May 1925 |
|---|---|---|---|---|
| Steel plates | 10,226 | 7,383 | 89,708 | 59,892 |
| Galvd. sheets | 3,386 | 2,770 | 26,271 | 17,801 |
| Steel rails | 6,258 | 4,462 | 47,711 | 32,303 |
| Barbed wire | 3,372 | 3,724 | 23,692 | 13,397 |
| Plain & galvd. wire | 1,336 | 1,306 | 12,071 | 9,738 |
| Tin plate | 3,171 | 3,662 | 31,587 | 24,257 |
| Plain heavy structural material | 12,110 | 4,195 | 91,192 | 66,851 |
| Steel bars | 5,866 | 5,676 | 69,847 | 42,294 |

## Volume of Steel Business Is Showing Improvement

The upswing in the iron and steel markets which has taken this year's business totals considerably above those of last year, continues, and while the report is not unanimous that business is good, such certainly is the statement of many of the larger firms and a considerable number of smaller concerns, says Canadian Machinery.

June business in almost all lines exceeded that for May, and total bookings of some companies were the largest since March. July business, so far as can be judged from the first week's selling, will equal that of June.

General sentiment in the steel trade is good, but reports from consuming industries are conflicting. Some users have allowed their stocks to run low in expectation of a break in the market, and these buyers still hold the belief that lower prices will shortly be seen, despite the statements of dealers that, larger buyers having booked for the quarter, there is little possibility of change for the next few weeks. These slow buyers, most of whom have no dearth of business, must soon enter the market. Many fear business conditions do not warrant their booking heavily, and continue a limited buying policy.

## Dominion Life Reports Large June Increases

A twenty-five per cent. increase in business over its previous largest month is the June record made by the Dominion Life Assurance Company. During the month applications for $2,850,000 were received at head office. The largest month in the company's history heretofore was June of last year with $2,300,000. The fact that even this month had exceeded any previous month by over half a million gives the best indication of what was accomplished during June of the present year.

Business for the Dominion Life for the first six months to date stands at $11,900,000—an indication that the year's business will not be far from the 1926 objective of $24,000,000.

BUSINESS MEN Conversant with merchandising, know the selling power of patented ideas and designs; and the earning power of Companies who control them.

Write today for circular giving particulars of our assets in both Canada and the United States of America.

Financing Department.

PROVINCIAL SHEET METAL AND SPECIALTY CO. Limited,
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Analysis of these companies appears in the current issue of our Fortnightly Review.

A copy will be mailed on request.

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*We Offer*

$300,000.00

Ice-O-Matic Refrigeration Company
(Dominion Charter) LIMITED

7% Cumulative Sinking Fund Preferred Stock

(Par Value $100 per share)

*(Each share carrying with it a bonus of one share no par value common stock)*

The Cumulative Sinking Fund Preferred Stock is to be fully paid and non-assessable; preferred as to dividends and assets, entitled to cumulative preferential cash dividends at the rate of 7% per annum, payable quarterly by cheque; callable in whole or in part at $105 per share and accrued dividends on 60 days' prior notice at the option of the Company.

PROVISION FOR SINKING FUND

The Company shall set aside each year a sum equal to Ten per cent (10%) of its surplus earnings remaining after paying fixed charges and dividends on the Preference Shares outstanding for the purpose of redeeming said Preference Stock.

The Company shall have the right to purchase Preference Shares in the open market for redemption at the market price, provided the price shall not exceed One Hundred and Five ($105) dollars per share, and if Preference Shares are not available in the open market, then the Company shall have the right to call shares at One Hundred and Five ($105) dollars per share and accrued interest.

DIVIDENDS

Payable quarterly, Oct. 1st, Jan. 1st, April 1st, July 1st.

CAPITALIZATION

| | Authorized. | Issued. |
|---|---|---|
| 7% Cumulative Sinking Fund Preferred Stock | $300,000 | $300,000 |
| Common Stock (No par value) | 9,000 Shares | 9,000 Shares |

TRANSFER AGENT

Chartered Trust and Executor Co., Canada Life Building, Toronto, Ontario.

PURPOSES OF COMPANY

To manufacture in Canada Electrical (Iceless) Refrigeration Machines, embodying principles of construction covered by the Stitt patents. These principles of construction are the embodiment of experiments carried on since 1914.

The Company will also have the exclusive right of user, in the countries outlined below, of the Stitt Refrigerant gas known as Alcoid, and to be used exclusively in Ice-O-Matic Machines. This gas is covered by Canadian patent, and, so far as is known, is the only patented refrigerant. In addition to its efficiency as a refrigerant, it has no obnoxious odor, is non-injurious, non-poisonous, and non-explosive. These safety properties in the refrigerant used will not only greatly stimulate the already very large market that is developing for electrical refrigeration, but also the higher degree of efficiency of this gas makes possible the manufacture of an electrical compression refrigeration machine which is of a type to lend itself to quantity production at a lower cost per machine and yet operate with a higher degree of efficiency.

The Company assumes the rights and obligations of a License Agreement dated June 2nd, 1926, entered into with the Stitt Refrigeration Company, a Michigan Corporation, whereby the Company is given the exclusive right to manufacture under the above patents and the exclusive right to use and sell Alcoid refrigerant gas in the under-mentioned territories, which License Agreement has been passed upon and approved by Salter & Stapells, Barristers, Huron & Erie Building, Toronto.

SCOPE OF OPERATIONS

The Company will sell Ice-O-Matic Machines made in Canada in the following territories exclusively:

Dominion of Canada—Great Britain and Ireland—Australia—New Zealand—India and Burma Union of South Africa—Kenya—Tanganyika—Gold Coast—Nigeria—Norway—Sweden—Holland — Denmark—Spain—Brazil—Dutch East Indies—Newfoundland—and all other British Dominions, Crown Colonies, Protectorates and Mandates.

SUBSIDIARY PURPOSES

After the Company is in thorough operation in the manufacture of Ice-O-Matic machines it is proposed to manufacture other electrical appliances, such as oil burners, computing scales, electric coffee mills and chopper, etc., which are capable of manufacture with the same equipment. This is primarily for the purpose of permitting the manufacture of Ice-O-Matic machines at an even rate in a shorter space of time and thereby effecting a constant reduction in price to the public, not only of Ice-O-Matic machines, but of oil burners, etc., and which will open up larger markets.

MANUFACTURE

Drawings and patterns are already developed and ready for use and production can proceed as soon as plant and equipment are ready. The Company expects to be in manufacture of its own units August 1st. In the meantime it will be supplied with complete units from the Michigan organization. In this way Sales development can be proceeded with at once.

MANAGEMENT—SALES

The Company is equipped with thoroughly experienced management from the outset in the persons of Mr. W. F. Morgan-Dean and Mr. H. S. Pritchard, the former in charge of manufacturing operations, the latter in charge of sales.

Mr. Morgan-Dean for the past five years has been Managing Director of Canadian Toledo Scale Company, Limited. Mr. Pritchard was connected with the Sales organization of Ford Motor Company of Canada, Limited, for twelve years—during the last four years as Sales Manager, in charge of the sale of all their product in Canada and overseas.

They bring to the Company the ability to get into quick and efficient manufacture and distribution.

DIRECTORS

R. A. STAPELLS—President, Stapells-Fletcher, Limited, Toronto.

FRANK E. MAULSON, Toronto—Vice-Pres., Irish & Maulson, Ltd., Toronto; Director, Eastern Theatres, Ltd., Toronto.

GEORGE M. DUCK—Director and General Manager, Canadian Salt Company, Limited, Windsor, Ont.

W. C. HEGGE—Sec.-Treas., Sievers & Erdman Co., Detroit; Director, Standard Computing Scale Co., Inc., Detroit; Director, Sunny Line Appliances, Inc., Detroit, Mich.

R. R. STITT—Director, Stitt Refrigeration Company, Inc., Detroit, Mich.

H. S. PRITCHARD—Vice-Pres. in charge Sales.

W. F. MORGAN-DEAN—Vice-Pres. in charge Production.

EARNINGS

From the volume of business now in sight, it is conservatively estimated that the Company will manufacture and sell in excess of 2,000 units during the first year of operation.

Basing the estimated earnings of the Company on an output of 2,000 machines, it is estimated that the net earnings will be $79,100.00 or sufficient to pay the Preferred dividend more than three times over.

After deducting the Preferred dividend the estimated earnings will equal $6.45 per share on the Common Stock.

Application will be made to list this stock on the Toronto Stock Exchange in due course.

PRICE: $100.00 per share
(each share carrying with it a bonus of one share no par value Common Stock)

*Orders may be telephoned or telegraphed at our expense.*

*Prospectus and Descriptive Literature Will Be Mailed Upon Request.*

Walter T. Smith & Co.
LIMITED
*Investment Securities*
604 Northern Ontario Building, Toronto
Telephone Adelaide 3112.

Roberts, Cameron & Co.
LIMITED
*Investment Bankers*
207 Northern Ontario Building, Toronto
Telephone Adelaide 3486.

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

# RETAILERS DEMAND CONSTRUCTIVE AID OF MANUFACTURERS

## Due to New Conditions Such as Advent of Chain Store

With the coming of new conditions in the grocery trade brought about by the chain store buying direct at the jobber's discount, merchants in Canada are expecting and demanding more assistance from wholesalers and manufacturers. The day has passed when the wholesaler and manufacturer can allow the independent retailer to shift for himself—if the independent merchant is to be considered a factor in the distribution of the products of the manufacturer and the outlet for the goods stocked by the wholesaler, says Canadian Grocer.

Demand for closer co-operation in the way of helping the independent retailer to merchandise the goods he buys, and in securing goods at prices that will aid him to meet the competition of chain and outside stores is growing rapidly. Recently, a representative of this paper spent some time in Manitoba talking to retailers about their problems. This was one of a number mentioned by several retailers. Among them was Adam Brown, head of Browns, Ltd., Portage la Prairie. Mr. Brown contended that the time was no more when the manufacturer or wholesaler could send one man through from Winnipeg to the coast and expect him to secure profitable business and business that would repeat. He maintained that the wholesaler should appoint a representative for a certain restricted territory and have him spend all his time in that limited district, helping the retailer in his merchandising problems—displaying, pricing, advertising with sales campaign. It was only in this way that the independent merchants, he thought, would survive the keen competition and give the jobbers the business they expected to get. Retailers were buying goods and in quantities which they had no right to buy. They needed help and advice. They required more help with their selling.

### The Jobber Should Help

Should the wholesaler provide "specials" which the retailer could use to attract business against mail order competition?

This was a question asked Western merchants. Mr. Brown was of the opinion that the wholesaler should watch carefully what the catalogue houses were doing and endeavor to buy in such quantities goods that could be sold to the retailer and retailed to the consumer to meet the competition of the catalogue house.

The same opinion was expressed by J. G. Herman, in the hardware business in Swan River, Man. He did not see why the wholesaler should not pay more attention to the merchandising problems of the retailer. He thought that a study of the mail order catalogue would bring home to the jobber the necessity of lending greater assistance. There were prices quoted in the mail order catalogue below what the retailer paid the jobber. While these were "leaders" he maintained that the jobber should help the independent merchant in a similar way by offering "leaders" which the retailer could use to offset the outside business.

This question was discussed the other day with a large wholesale grocery firm. An official of this company replied that they were working out plans along this line. Their idea was to interest at least 3,000 grocers in Ontario, and then to help them by co-operative effort. Whether their plan is the proper one cannot be foretold, but they have come to the conclusion that the independent merchant needs their co-operation more today than ever before. Their idea is this: They contract with these merchants—and they hope to get 3,000 of them altogether—to work with them, but not necessarily to buy goods from them. They are getting out a window transfer sticker which will read as follows:

**INDEPENDENT GROCER**
**We Serve — We Satisfy**

This is to be placed on the window or store door of each of these three thousand grocers. Advertising in the local papers is contracted for to assist the local merchants in merchandising certain branded lines. These lines are to be those the resale prices of which are being maintained by manufacturers who have adopted the price control policy of the Canadian Fair Trade League. One of these lines will be selected each week for a window display. The jobbing firm will have standardized window displays prepared with special backgrounds and showcards which will be sent out to each grocer working with the plan.

"The fact that the merchant gives us a contract to display and push sales of these price controlled lines does not necessarily mean that he buys from us," stated an official of the company.

"What we are anxious to do is to get him displaying a line that provides a definite margin of profit. This will help him. At the same time we will advertise to the people of the local community the service provided by the independent merchant and feature him in our copy."

Some of the wholesalers who sell to merchants in buying groups are co-operating by offering "leaders" each week. There is one, for instance, that makes special prices on two lines each week, and these two are featured in the advertising of that particular week.

There are individual manufacturers selling specialty lines direct to the retail trade who are helping merchants plan their selling. This includes background and display cards for windows, special dummy cartons, advertising cuts, etc. In addition to its business paper advertising, a corset manufacturer plans for its retail distributors a whole month's selling. The plan is prepared in typewritten and printed form and put together neatly in a folder. It suggests to the merchant what he should do each week in the month to sell more corsets, combinations and other lines made by the firm. It gives him a suggested window display each month, some newspaper advertising suggestions, ideas that the sales staff can adopt in getting the interest of customers.

More and more manufacturers are beginning to realize the important place of the retailer in distribution and are helping him more than they ever did before to merchandise the goods they sell him.

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# *Epigrams and Investment Make Epitaphs for Your Savings*

IT MIGHT have been far better for the world in general if some of the successful industrialists and financiers of the world had never spoken in epigram. E. H. Harriman said something to the effect that the time to put money in any proposition was at the start and now every promoter who is starting a new enterprise puts Mr. Harrman's advice somewhere on his prospectus in black type.

J. P. Morgan said that a dollar well invested was the foundation of a fortune, which is quite true, but which is also a favorite misused argument of the unscrupulous stock salesman.

Marshall Field said once that he invested $100 in an idea and made millions out of it and imaginative investment stock salesmen challenge their prospects to put $100 in their idea and do likewise.

No cheap stock prospectus is complete without a smattering of quotations. The compilers of handy desk volumes of quotable quotations ought to get out special editions of investment epigrams, that are capable of being misused. The book would have a widespread sale among the stock jobbing fraternity.

As a matter of fact, there are books not greatly different from the one suggested that are the bibles of low finance. An American writer, with more point to his pen than to his ideas and with more sound than soundness in his writings, has published several books on how to get rich over night and they all emphasize the necessity of seizing the opportunity as it is offered; of getting in the ground floor of new enterprises when they are just starting and of taking a chance with the honest dollar as the only way to wealth. Fine stuff, all of it. The publisher, who handled the books in Canada, sold them by the hundred to salesmen of the L. R. Steel organization, who loaned them or gave them to their prospects to read. One night's perusal of one of these books would get any man worked up to an emotional pitch that would make him ripe for the first bright and appealing speculative suggestion offered by a persuasive salesman.

### Where Common Sense Rules

Epigrams as an investment policy make good epitaphs for hard-earned dollars. Rules and regulations for the investment of money have to be supplemented with common sense and weighed with independent, reliable advice.

The man who is not sure about an investment proposition offered to him ought to get someone else's opinion on it; someone who is constantly dealing in business or financial matters. The man who is sure probably needs the advice more than the man who is puzzled.

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Plata Mines, a subsidiary of Noranda, has been organized to handle the Gardner-Johnson-Hyland group in Gowganda. Capital $2,000,000.

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**All of these bonds have been sold.**

New Issue June 26, 1926

**$30,000,000**

**United Steel Works Corporation**

**(VEREINIGTE STAHLWERKE AKTIENGESELLSCHAFT)**

**25-year 6½% Sinking Fund Mortgage Gold Bonds, Series A**

**With Non-detachable Stock Purchase Warrants**

To be dated June 1, 1926 Due June 1, 1951

Interest payable June 1 and December 1. Principal and interest payable in New York at the office of Dillon, Read & Co., in United States gold coin of the present standard. Bondholders may, at their option, collect principal and interest in London at the office of J. Henry Schroder & Co. in pounds Sterling at the buying rate for sight exchange on New York on the date of presentation for collection. Coupon bonds in denomination of $1,000, registerable as to principal only. Callable as a whole, or in part by lot, on any interest date, after thirty days' notice, at the following prices and accrued interest: to and including June 1, 1931, at 105; thereafter to and including June 1, 1936, at 103; thereafter to and including June 1, 1941, at 101; thereafter prior to maturity at 100. The National City Bank of New York, American Trustee. Darmstaedter und Nationalbank Kommanditgesellschaft auf Aktien, German Trustee.

Principal and interest payable, to others than citizens and residents of Germany, without deduction for any taxes, past, present or future, levied by German Governmental authorities.

**The corporation agrees to provide a sinking fund sufficient to retire the entire issue of Series A bonds by maturity, by semi-annual call by lot (first redemption December 1, 1926), at 100 and interest, at the annual rate of $600,000 to and including December 1, 1938, and of $1,800,000 thereafter to maturity.**

*From their letter to us, Carl Rabes, Esq., and Dr. Oskar Sempell, Managing Directors of United Steel Works Corporation, summarize as follows:*

THE COMPANY

United Steel Works Corporation, which has contracted to acquire the principal fixed assets (except certain coal properties), the goodwill and businesses of four leading coal, iron and steel concerns in Germany, viz., Rheinelbe Union, Thyssen, Phoenix and Rheinstahl, will be the largest industrial unit in Europe and one of the largest manufacturers of iron and steel in the world, ranking in productive capacity second only to United States Steel Corporation. Its coal properties will be among the largest in the world, with respect to reserves and present productive capacity. United Steel Works Corporation has operated these properties since May 7, 1926, and is at present producing approximately 40% of the entire German steel production and employs about 164,000 persons.

SECURITY

These Series A bonds, limited to $30,000,000, will be the direct obligation of the corporation, secured, in the opinion of counsel, by mortgage on fixed assets valued by Mr. H. A. Brassert, American consulting engineer, at $537,671,800 (including real estate and coal reserves), subject to about $70,600,000 of underlying obligatons, including approximately $29,400,000 obligations under the Dawes Plan based on existing assessments. Against the properties presently to be mortgaged there may be assessd (ranking equally with Series A bonds) a total of $105,000,000 of bonds, including the $30,000,000 Series A bonds, the equivalent of about $30,000,000 of bond proposed to be presently issued abroad, payable in foreign currency, and $41,180,000 of bonds reserved to refund underlying obligations. The valuation of $537,671,800 equals about 4 times the sum of all underlying obligations (including existing obligations under the Dawes Plan), these $30,000,000 Series A bonds and all other bonds ranking equally therewith (except bonds reserved to refund underlying obligations) issuable against the properties presently to be mortgaged.

The pro forma opening balance sheet of United Steel Works Corporation, as of April 1, 1926, as certified by Messrs. Price, Waterhouse & Co., adjusted to give effect to the issue and sale of the $30,000,000 Series A bonds and application of proceeds, shows current assets of $86,799,087, including over $22,000,000 of cash, and current liabilities of $16,629,504,—a current ratio of more than five to one.

ESTIMATED EARNINGS

As United Steel Works Corporation is not acquiring all the properties of each of the vendor companies and as the operation of the properties is being completely reorganized and unified, past earnings of the vendor companies while separately operated are not fairly indicative of the present earning power of the corporation. Mr. Brassert estimates that under the changed basis of operation net earnings of United Steel Works Corporation after depreciation, depletion and all other charges except interest, payments under the Dawes Plan and profits taxes, for the five years 1927 to 1931, inclusive, will average $28,311,358 per annum, or more than 3 times the sum of the annual interest charges on these $30,000,000 Series A bonds, on the bonds (about $30,000,000) proposed to be presently issued abroad, on existing underlying liens and estimated maximum annual payments under the Dawes Plan. This estimate makes no allowance for benefits expected to accrue to the German iron and steel industry upon stabilization of French and Belgian currencies, which Mr. Bassert believes will increase estimated earnings approximately 20%.

INDENTURE PROVISIONS

Bonds in addition to the above $105,000,000 principal amount and ranking equally therewith, may be issued in series up to 2-3 of cost or fair value, whichever is less, of additional fixed assets to be mortgaged, subject to indenture restrictions as to earnings and otherwise; bonds of the several series may differ as to maturity dates, interest rates, redemption, sinking fund, provisions for payment of principal and interest in different currencies and in such other respects as may be provided in the indenture; certain provisions of the indenture may be changed on vote of 85% of bonds then outstanding; all as may be more fully stated and defined in the indenture.

PURPOSE OF ISSUE

The proceeds from the sale of Series A bonds will be used for the completion of construction in process, for additional working capital and other corporate purposes.

STOCK PURCHASE WARRANTS

Each Series A bond will carry a non-detachable warrant, entitling the holder, on or before July 1, 1929, to purchase one share (par value 1,000 Reichsmarks) of common stock of United Steel Works Corporation for $297.50, viz., 125% of par. Detached warrants will be issued in exchange for unexercised warrants attached to Series A bonds redeemed on or before June 1, 1929. It is expected that the common stock will shortly be listed on the Berlin Stock Exchange.

These Series A bonds with warrants are listed on the Boston Stock Exchange and the corporation has agreed to make application to list them on the New York Stock Exchange.

Conversions of German into United States currency at par of exchange (one Reichsmark equals 23.8 cents).

*The statements quoted above, based in part upon cable and radio communications have been accepted by us as accurate but are in no event to be construed as representations by us.*

*We offer these bonds for delivery if, when and as issued and accepted by us, subject to the approval of legal matters by our counsel. It is expected that delivery will be made on or about July 8, 1926, in the form of temporary bonds of the corporation or interim receipts of Dillon, Read & Co.*

**Price 96 and Interest. To yield over 6.80%**

*The above is subject to a circular, containing further information, which may be obtained upon request.*

**Dillon, Read & Co.**

**International Acceptance Bank, Inc. J. Henry Schroder Banking Corporation**

**Dominion Securities Corporation, Ltd.**

# THE FINANCIAL POST

**Member Audit Bureau of Circulations.**

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Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE.
Managing Editor—FLOYD S. CHALMERS.
Editor—J. W. TYSON.

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Advertising matter which has a tendency to mislead or which does not conform to business integrity, is declined. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

## The Financial Post's Platform for Canada

*Promote national unity.*
*Reduce taxation; curtail public waste.*
*Conserve Canadian resources for Canadians.*
*Develop production and manufacturing to the highest point in Canada.*
*Settle our vacant lands.*
*Encourage individual initiative.*
*Induce and protect investment of capital in Canada.*

TORONTO, JULY 9, 1926

### KEEPING FAITH WITH AUSTRALIA

IS THE Australian trade treaty in danger? Representations are being made at Ottawa by W. C. F. Thomas, president of the Dried Fruits Board of Australia, that the action of the government in imposing a dumping duty against Australian butter is regarded by Australian exporters as a violation of the spirit of the pact. Justification for Canada's action in this connection is submitted in the bonusing of Australian butter exports which has had the effect of placing the Canadian dairy interests at a disadvantage and creating the need for some practical form of protection for the Canadian farmer. On this point the Australian reply is that the subsidy is not a government matter, but an arrangement between the exporters themselves, and that, even with the subsidy, Australian butter can only be marketed in Canada when there is a shortage here.

In British Columbia a great deal of interest has been aroused in the situation because the Pacific papermaking industry has benefited materially as the result of increased exports under the treaty. B.C. is strong for the treaty and Vancouver business interests point out that not only do the paper exporters benefit but Eastern Canadian industry also secures advantages as the result of expenditures for equipment and supplies for Western plants.

The present situation again brings out the complexities of any trade policy which is expected to suit all interests in a country as big as Canada, but it is to be hoped that nothing will occur to upset a treaty, which, while far from satisfactory in all respects, is undoubtedly a step in the right direction, is building substantial trade for British Columbia and was obtained from Australia only after much negotiation.

### ADDING IT TO THE TAX BILLS

ONTARIO municipalities may charge up light and power bills in the same way as unpaid taxes. This is just one of the many advantages which publicly-owned utilities in Ontario have been granted over private companies. And it is turning out that the municipalities in whose interests this legislation was passed are finding—as is the case with many measures of the kind—that it is something of a boomerang.

According to the Guelph Mercury, Mayor Robson of that city is finding fault with the Light and Heat Department for "saddling its old accounts on the already overloaded tax bills of the property owners of the city." Cases are mentioned where arrears owing by tenants for several years have been added to the tax bills of the owners and the latter were held liable without notice of such liability. It can readily be understood that where property is being sold it is far from satisfactory for the new owner to find that he is in debt to the city for electricity used by a former tenant. On this point the Mercury observes:

> There is an appearance of injustice in the proceeding. It makes the landlord responsible for the private affairs of citizens who happen to be his tenants. It might be possible for the butcher and the baker to secure such legislation to make the landlord responsible for the tenants' back bills, and add them to the tax bills, seeing that food is more of a life necessity than gas or light.
>
> If any municipality plans to hold owners liable it ought to notify landlords each month when gas bills are not met, rather than waiting for the accumulation of years, until the amount is large enough to constitute a considerable levy on the property. The landlord ought to have a little chance to bring the tenant to time before the carelessness or indifference of the municipal officials in collecting, results in a heavy loss.

In Guelph and other municipalities the reply of Hydro officials to criticism of their collection methods is that the "law allows it." When the law was put through it was to take care of exceptional cases, it was said, rather than provide a system for collecting accounts. But that is the trouble with privileges of this kind created by legislation—they are almost always abused, particularly when they put a premium on laziness and inefficiency.

### SENSE, NOT "SERVICE"

IT IS pleasing to learn of the co-operation between the Canadian pulp and paper companies and the University of McGill. The companies are providing the funds to establish an up-to-date research laboratory, in which the work necessary to the progress of the industry will be undertaken by the University.

In the past, there has probably been too little cohesion between the work of the universities and the leaders of commerce and industry. For it must not be forgotten that the wheels of the business world are speeded in their revolutions by the learning and information which is disseminated from the centres of academic thought.

Extension courses for plumbers, printers and other crafts, and the production of young men able to design a concrete or steel bridge or perform with proper technique an operation for appendicitis are good, but they should not be the only products or by products of the universities. It is pleasing to see that Canada's greatest industry realizes this fact and is to provide quarters where one of our universities, in addition to turning out men who have gone through a technical course in forestry, will be able also to engage in one of the finer works of a university, namely, a solution of those fundamental problems upon which the ultimate progress of the industry must depend, and upon whose solution rests in a measure the assurance that mankind will progress.

### CANADA'S "UNCLEAN" MILK

THE red herring is the instrument of politicians everywhere and often becomes a sprat to catch the mackerel of popular opinion. The American congressman who said that the Taber milk bill would benefit Canadian cream is either dragging a red herring across the trail or deliberately misrepresenting the situation.

The Taber bill provides for sanitary restrictions on Canadian milk and cream. Its ostensible purpose is to protect American consumers from unclean milk. The real purpose of the bill is to protect the American producer, without raising the tariffs, and to do this by virtually shutting out Canadian milk and cream.

Representative White, of Kansas, is quoted as saying that if Canadian producers comply with the requirements of the bill it will be a great advertisement for them in the American market. Mr. White would not have bothered to make that statement if there had not been such a protest from New York and other American cities against this legislation, aimed at cutting off a large part of their milk supply. He is simply misleading the public and he knows it.

The United States Senate has not yet reported the bill and it may not go through. Naturally Canada hopes it does not. It would hurt some 2,500 Canadian producers.

The United States has often cut Canadian products out of its markets by protective tariffs. Towards such, Canadians can have no antagonism. But when a subterfuge, such as the Taber bill, is used to slander Canadian products and to keep them out of United States markets, it is a matter for keen regret in Canada.

### BRAVO, RAILWAYS!

THERE are many reasons why Canadians generally should be exceedingly well pleased at the improved earnings of both Canadian railroads this year.

The improvement in both gross and net earnings is pleasing because it is a reflection of improved business; because it gives evidence of a larger volume of merchandise being handled in nearly every part of Canada. The improvement in the C.P.R. is of keen interest because C.P.R. continues to be Canada's outstanding investment security in the eyes of the world. Better C.P.R. earnings, and hence a better price for C.P.R. stock in the markets, provides Canada with a fine advertisement for capital and men.

The improvement in the earnings of the Canadian National Railways is satisfying chiefly because the improvement is a step in the direction of lower taxation. The operating profits on the C.N.R. for the first five months of the year were $8,750,000 higher than in the first five months of 1925. That means eight and three quarter million dollars saved the Canadian taxpayer.

Upon the volume of and profit from the Western crop, the earnings of the balance of the year are largely dependent. Canada is now looking to Mother Nature for a beneficent smile and bountiful gifts.

### EVIL OF OVER-BORROWING

THERE is a lesson for Canada in the experience of Australia in public finance. In the Commonwealth, the rapid growth of both the federal and state debts is causing much concern. A financial conference is being held to consider the situation.

Australian states have borrowed largely for so-called revenue producing public works, but the interest payments on the money borrowed have grown more rapidly than the earnings of these public works. This has necessitated further borrowing, just as in the case of the Canadian National Railways, and Australia and its various political sub-divisions are finding difficulty in marketing their securities.

Three recent loans in the London market, although made at the fairly attractive price of 98 for 5 per cent. bonds were largely left in the hands of the underwriters. These three loans were for New South Wales, Queensland and South Australia and in no case was more than 70 per cent. taken up by the public.

Nor is it easy to borrow at home. Australia has no large investing class as have the European countries, United States or even Canada and any large issue makes a serious drain on the supply of local funds.

Even governments find that excessive borrowing, for public works or for "revenue-producing enterprises," curtails the market for their securities. In Canada, there is a tendency towards greater economy but the danger is present that borrowing by local governments may offset the restriction in the borrowings of the Dominion and the provinces.

### BRING IN THE PEOPLE

CONSIDERING the rigidity of the restrictions Canada has adopted to govern immigration into this country, the swelling of the tide of incoming citizens is really remarkable. It gives cause for satisfaction, but satisfaction that would be multiplied ten-fold if we were to approach immigration in a more courageous spirit, a spirit of willingness to share our heritage with more able and industrious citizens from other lands.

Figures are available for only the first four months of this year but they show that over 39,000 immigrants have come to Canada. There were 21,000 in the first four months of 1925. In addition, over 20,000 Canadians returned from the United States, over double the number who returned in the first four months of 1925.

The number is growing and that is pleasant news. But we make it too hard for immigrants to come. The restrictions that have been imposed exclude all but a limited class of producers and the regulations are administered by officials in a manner that would almost make one believe that these officials consider themselves as officials ordered to bar desirable immigrants from entering rather than to stimulate the flow to our shores.

Less restraint upon immigration and more intelligent enforcement of immigration regulations is needed to bring immigration back to pre-war figures.

### EDITORIAL NOTES

Will the election slogan be "Bang Byng"?

* * *

Canada invites immigrants to come and shuts the door in their faces when they arrive.

* * *

"Dissolution" means "disillusion" to those whose expected divorces did not get through.

* * *

Decline in horse whip industry is blamed on the rise of the motor car. Disappearance of "Tom shows" is another factor.

* * *

One would gather from briefs presented to the Board of Railway Commissioners that "equalization of railway rates" means reduction only.

* * *

The point is well made by The Stratford Beacon-Herald that the danger of the present situation is that the customs probe, the real issue, may be allowed to take a seat on the side lines.

## Fifteen Years Ago

**Extracts from Files of The Financial Post.**

Dominion government annual interest payments reach imposing total of $18,000,000.

Sir William Macdonald buys Law and Molson properties, in Montreal, 30 acres, to give to McGill University as a campus.

Maritime Fish Corporation ships fish to Prince Rupert.

Sir Donald Mann announces C. N. R. extensions.

W. C. Noxon describes new ship Olympic for benefit of Post's readers.

Preferred stock of Campbell Flour Mills sold.

# Salada, Gurney, Davies, Massey-Harris, Built Plants Across Border

## Have Successfully Essayed Conquest of United States Market From Factories Built in American Cities and Shown It Can be Done

## RAILWAYS AND BANKS ARE THERE

By FLOYD S. CHALMERS.

*Recently, The Financial Post published an article telling of the success achieved by a number of Canadian concerns in the United States market. The experience of the Fanny Farmer Shops, Canada Dry Ginger Ale, Wm. A. Rogers Co., F. N. Burt Co., and a number of other companies was related.*

*In this article, a further group of Canadian companies that have expanded beyond Canada, to manufacture or sell their goods in the United States, is discussed.*

NO COMPANY has been more successful in building an American market than has Salada Tea Company, the leading tea firm of the Continent, that has been built up through the energy and ability of Hon. P. C. Larkin, of Toronto.

When Mr. Larkin founded his tea business in Toronto in 1892 he built on solid foundations but had expansive ideas in mind. He was not long in extending to the United States in the sale of his tea. Four years after he opened his Canadian office, he made his first shipment of tea to the United States. The business there grew steadily and necessitated the formation, in 1915, of a separate company, Salada Tea Company, Inc. In 1917, a fine eight story warehouse, the last word in modern building construction and a thing of beauty both inside and out was opened in Boston. At the present time the size of the warehouse is being greatly increased. The company sells Salada Tea in the United States through offices in Boston, New York, Buffalo, Pittsburg, Philadelphia, Chicago, Detroit, Seattle, Los Angles, San Francisco and Cleveland.

The same advertising and merchandising methods that won Mr. Larkin success in his home market have been followed in the American invasion.

Salada tea's experience is direct evidence of the value of the United States market to Canadian business men when it is courageously attacked.

### Gurney's Boston Factory

Gurney Foundry Company is one of the largest of Canadian companies in the field of furnace and heating apparatus manufacture. About twenty years ago, the heads of the company sounded out the possibilities of selling their goods in the United States. After a few years of experimentation in that field, the success of the effort became apparent and a company was formed by the same group that controlled the Canadian company. Under the name of the Gurney Heater Manufacturing Company a plant was built at Fralingham, Mass., and has operated successfully for about fifteen years. Sales offices have been opened in New York and Washington and while the business across the line has not reached a volume as great as that of the Canadian company, sales are developing satisfactorily and the American plant is important.

Massey-Harris Company operates an exceptionally successful plant at Batavia, New York. After many years of successful business building in Canada, the company cast its eyes upon the American field and in 1910 acquired control of the Johnston Harvester Company in that city. This plant has been greatly expanded and other American companies have been purchased. To-day the Massey-Harris Harvester Company, which is the name of the American company, ranks side by side with the great American implement companies.

William Davies Company, the greatest packing firm of the British Empire is also well established in the United States and ranks as the fourth packing house of the continent. The American plant consists of a large eight story packing plant in Chicago of 25,000,000 tons of meat yearly. While a big factor in the company's business during the war, the plant is not now very profitable and in this respect it is in the same position as practically every packing house on the contenent. Establishment of the Davies Company in the States was, as in the case of Massey-Harris, a definite example of Canadian enterprise seeking to take advantage of the rich and powerful American market.

### Sleeping Bags for Americans

The Woods Manufacturing Company, of Montreal, Toronto, Ottawa, and Welland achieved such a reputation for its sleeping bags that it had to open an American plant a few years ago to fill orders from customers across the line. This plant was opened at Ogdensburg, New York, about two years ago. Proper investment was made in advertising and in establishing good merchandising methods. Goodly returns are now being earned on the investment made. Plans are completed to double the size of the Ogdensburg plant and the subsidiary has become a revenue-producing enterprise for the Canadian company.

Canadian banks have established agencies in various American centres. In some cases, these banks act chiefly as correspondents for the Canadian head office in facilitating transactions in which Canadian concerns are interested but in other cases the American agencies have become financial institutions of ranking importance in the communities where they operate. For instance, the Canadian Bank of Commerce branch in Seattle is one of the outstanding banking offices of that city and outranks in size the average American bank.

Canadian insurance companies have also expanded into the United States both in the writing of insurance and in the investment of their funds. In this way they have enlarged their business to reduce overhead at the head office and to get for their policyholders the diversity of risks that makes for stability and profit. The Canada Life, the Sun Life, the Great West Life, the Manufacturer's Life, and the North American Life all have offices and business in various American States.

Canadian railways have acquired or built American lines and subsidiaries. Canadian Pacific Railway controls the St. Paul and Sault Ste. Marie Railway as well as other lines less important than that mighty "Soo" line. Grand Trunk Railway extended into United States early in its history controlling lines to Portland and Chicago and to New London, Connecticut, which are now controlled by the Canadian National Railways.

Experience of Canadian companies across the line seems to indicate that the United States is a logical addition to the home market of any Canadian company. Where tariffs and other factors make establishment of an American plant necessary, most Canadian companies have shied at the suggestion. But apparently it is a fertile field for sales and worthy of the attempt.

## Current Opinion

### NEW FORESTS FOR OLD

Moncton Transcript: Properly guarded and conserved, our forests will continue to be a source of wealth to our people. Recklessly dissipated, our forest resources may disappear within a generation. At least one company operating in this province has made a beginning in reforestation operations, and that is an example which may be observed and studied with profit by both private land owners and the provincial government.

### GOLD STANDARD IN CANADA

Wall Street Journal: Formal return to the gold standard by Canada, July 1, will not modify the situation in fact of the last year or two. Canada has gold cover for its note issue of 60 per cent. While the Canadian dollar is at a premium today, it has been several times at a discount, touching the gold point level between Montreal and New York. Canadian banks then secured permission from the government to export gold to New York. American dollars have also been exported to Canada. Thus in actual operations Canada has been on a gold basis.

Prices in Canada are about on the same level as here. No particular change need be expected after return to gold parity July 1. Dominion notes after June 30 can be redeemed in gold and the embargo on gold exports will be removed.

### BLAME BIG BUSINESS

Moose Jaw Times.—The Financial Post says that an average of about three new laws come on the statute books of Canada every day of the year, and complains that our yearly production of legislation is getting to be too much of a good thing and business men are hard put to it to keep informed on bills that zealous legislatures would fashion into law. This complaint is all too common from business men and business journals, all of whom seem to overlook the fact that behind most of these new laws and around most zealous legislators and their bills, there are to be found business interests, big and little, demanding legislation for this, that and the other purpose. The evolution of law, as a matter of fact, follows the evolution of business. The automobile, for example, has produced a whole flock of bills; likewise radio; likewise mergers and combines, and company evolution. So do not blame the legislators—it is not their fault, but rather their misfortune.

### FROM PRIVATE OWNERSHIP

QUEBEC.—The tremendous rapid development of the forest and water power resources of the province is evidenced in the recent forecast of the revenue which will be derived before the close of the present fiscal year. Officials of the Lands and Forest Department are confident that the revenue derived from lands and forests and water powers in the province will reach the sum of $6,000,000 this year. The same resources produced a sum of close upon $4,500,000 last year.

## Canadian Initiative Built Big U.S. Trade

Salada Tea Company, of Toronto, of which Hon. P. C. Larkin, Canadian High Commissioner in London is the head, has built a business in the United States that rivals its immense Canadian trade. United States business is handled through a subsidiary organization, which built this warehouse in Boston in 1915, and is now expanding it to an immense size, as this photograph, taken a few days ago, indicates. The addition will be completed by the end of the year.

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**Denominations: $1,000**

Subject to Legal Opinion of Messrs. Long & Daly.

**FINANCIAL STATEMENT**

| | |
|---|---|
| Assessed Value for Taxation | $71,463,218 |
| Total Debenture Debt | 15,767,695 |
| Net Debenture Debt | 7,367,721 |
| Population—63,339 | Area—10 sq. miles |

London is the fourth city in Ontario as regards both population and importance, ranking next to Toronto, Hamilton and Ottawa. It is the commercial, financial and educational centre of the southwestern portion of the Province. The City is one of the oldest and most substantial cities of Canada.

At the present time there are 234 manufacturing establishments with a capital investment of $39,228,903 employing 8,890, having an annual production of $36,291,350. The manufactures include a wide range of products the principal being stoves, biscuits, candies, rolling mill, motor cars, shoes, pianos and organs.

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# *Your Investments*

**Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.**

### Steels Consolidated

G. B., Peterboro.—Will you give me information as to the financial standing of Steel Consolidated, Buffalo?

Steel Consolidated is an organization financed by old shareholders of L. R. Steel, putting up 10 per cent. of their original investment to pay off the claims which the receiver held against the Steel assets and to try and nurse them back for the benefit of those shareholders who took the additional gamble in trying to rescue their old investment. A fair proportion of the old shareholders went into the plan and Steel Consolidated, the company they organized, has been running the stores and trying to nurse the assets into a stronger position. Some success has been met with in running some of the stores, but others have not done well.

### Guaranteed Investments

*C. M.,* Ontario. — I have been ap*proached* in connection with investments on guaranteed mortgage plan with the Toronto General Trust Corporation. This is an investment for a certain term of years and securities are supposed to be allotted to each separate investment. Would you advise me as to what you think of this investment?

In the guaranteed investment plans of the trust companies you have a strictly high class investment. These companies are under both Dominion and Provincial supervision and the guaranteed investments are recognized as suitable for trustee investments under the trustee act. You realize, of course, that these investments, like loan company debentures, must be made for a stated period. It is that basis that makes it possible for the companies to pay a fair rate of interest.

### International Power

Mac. A.—Would you advise the purchase of some of the first preferred shares of the International Power Company? I already have holdings of government and high-grade industrial bonds.

We believe that the first preferred shares of the International Paper Company would be a good purchase for a business man. You obtain an excellent yield of 7.1 per cent., and in addition the bonus of common stock which has speculative possibilities. We understand that earnings of the component companies show an increase this year as compared with the first half of 1925.

The fact that the company controls such a diversified group of power companies makes for stability of earnings.

### Quebec Southern

X. X .X., Danville, P.Q.—A client has asked for an opinion on the bonds of the Quebec Southern Power Corporation. Could you drop me a line giving me your views on this issue? Is it a safe purchase?

The Quebec Southern Power Corporation was formed early in 1925 and acquired a predecessor company which had been in operation since 1912. It also acquired all the outstanding capital stock of the Laurentian Hydro-Electric. The latter company has a mortgage of $500,000 on its properties which ranks ahead of the Quebec Southern Power bonds. After deducting this amount from the combined assets of the Quebec Southern and its subsidiary, the corporation has total assets of about two and a half times the amount of its bonds outstanding.

The company now serves 41 communities in the Laurentian districts immediately north of the Island of Montreal.

About the only fault which might be found with the issue is the fact that the company is not large—but this is a fault which is rapidly being rectified, for within the past year it has grown greatly and serves a diversified field.

The combined earnings of the component parts of the Quebec Southern Power Corporation last year amounted to $139,408 which was sufficient to meet all fixed charges and to leave a substantial surplus. Due to the fact that the company has recently completed a great portion of its extension programme and has recently acquired the power franchises in a number of municipalities, it is anticipated that earnings during the current year will show a material increase over the 1925 figures.

The corporation at present has an installed capacity of 3,000 h.p., which is being increased to 6,000 horsepower with provision for a further ultimate installation of generating units at a minimum of expense. We believe that your client would be safe in purchasing their bonds.

### Attendu Engines

V. D. F.—Has the U. S. government placed an order for Attendu engines, and will the Packard Motor Car Company begin manufacturing the engines soon? Give me some information also about the company and let me know the uses to which the engine is adapted.

No order has been placed as yet by the United States government for Attendu engines. But a bill has been passed by Congress which authorizes the building of two dirigibles. These airships will use 30 Attendu engines and when the order is finally placed, it is very possible that it will be placed through the Packard Motor Car Co.

In the meantime, the company has closed a contract on a royalty basis, with an American firm, which proposes to use the Attendu engine in steam shovels and dredges. It is hoped to close other contracts for industrial uses.

The engine is adapted for use wherever internal combustion engines are used at present. It can be used in motor cars or aeroplanes but as far as we know, it is not intended to compete with Diesel engines.

### Famous Players

T. J. M., Newfoundland.—I hold some of the preferred shares of the Famous Players Corporation. What is your opinion of these shares?

Famous Players Canadian Corporation was incorporated on January 23, 1920, and since that date has grown steadily and now operates fifty-six theatres, with a total capacity of some 64 000. Through its connection with the American Company of the same name, it is in an advantageous position with regard to films. In addition, Famous Players owns substantial shareholdings in, or has operating agreements with, some twenty large theatre properties and, thus, it is the dominant company in the motion picture field in Canada. The Company earns its first preferred dividend by not a large margin, but it has always earned it and paid the dividend. Thus, it has passed through successfully several bad years and has shown a steady growth. We would say, therefore, that the first preference shares are a very attractive speculation for a business man. The yield on the shares at present market prices makes them the more attractive—and, although the stock is not yet in the investment class, yet we would say that from now on the company should begin to reap the benefit from its expansion during years of depression with a consequent benefit, both in increased earnings and market prices, to the shareholders.

### St. Lawrence Flour

J. M., Newfoundland.—Would like your opinion of St. Lawrence Flour Mills common stock.

The common shares of the St. Lawrence Flour Mills Company are speculative. In the first place, the market action of this stock for some time past has not been such as to inspire confidence in the minds of investors. At the moment, some of the larger sharehoders are taking action which they hope and believe will result in some additions to the board of directors.

Again, due to the gradual closing of some of the European markets and to the extraordinarily keen competition in the domestic market, the milling industry in Canada as a whole is in the doldrums. At the moment, there is no rift in the cloud which obscures the dawn of a brighter day for the industry as a whole. Incidentally, the company is but a small one and must have difficulty in meeting competition by the larger operators. Furthermore, we believe that over the past few years, the company has disbursed too much in dividends to the shareholders. In other words, we do not like this stock and would not advise its purchase.

Despite the unfavorable factors, there are some who are willing to purchase it, possibly because they believe that, as it is a seaboard mill, it will be purchased by one of the larger companies. There is, undoubtedly, good ground for this belief and only recently some larger interests began negotiating for its purchase. However, these negotiations, we believe, were discontinued.

From the foregoing, you will see that the stock is so speculative that it is impossible even to venture a forecast about the future. If you have a profit on the stock, we should advise you to sell it — if you have suffered a loss, you are just as favorably situated to judge the future as ourselves.

### Asbestos Bonds

E. T. W., Rockland.—Will you please advise me about the exchange of bonds in the Asbestos Corporation which has recently been offered me What, if any, security, would the holder of the old first mortgage bonds lose by making the exchange? Is there any distinction in the class of these securities?

I desire diversification in my investments. Do you consider one-eighth of my total holdings too large an amount to be invested in the securities of this one company? My holdings as at present constituted consist of 50 per cent. in bonds, 37 per cent. in preferred shares and 12 per cent. in common stocks. Do you consider this to be a proper proportion in each class of security?

We do not believe that through exchanging your first mortgage bonds of the Asbestos Corporation of Canada for the first mortgage bonds of the new Asbestos Corporation you will be lowering the security behind your holdings. The old company had outstanding some $1,700,000 of 5% bonds which compared with total assets of $12,000,000. The new Asbestos Corporation has $3,000,000 of first mortgage bonds outstanding and has total assets of over $23,000,000.

Thus, you will see that the security behind both issues is much the same and that by the exchange you will increase your interest returns by 1%. The difference between the security back of the issues is simply that the old bonds were a first mortgage on the property of the Asbestos Corporation of Canada, whereas the new bonds are a first mortgage on the consolidated properties which now comprise the much enlarged Asbestos Corporation.

You have placed 50 per cent. of your resources in bonds and the remaining half has been used to purchase stocks. This seems to us to be a reasonable allotment of your investment holdings, but you must realize that the proportions vary with the requirements of the investor.

For instance, one who is simply living on his income is interested primarily in security, and therefore does not hold a large proportion of common stock. On the other hand, a young man or man in the prime of life, who is building up his estate will probably hold a larger proportion of common stock which give promise of an appreciation over a term of years.

Broadly speaking, we believe that you are unwise to place on eighth of your total resources in any one security with the exception, of course, of government bonds. On the other hand, we hesitate to advise you to sell some of your asbestos bonds because they are so well secured. However, you may be able to pick up some other bond which has as ample a security and which will bring you in as large a yield.

### ST. ANTHONY

"G.C., Ontario," was last week told that shares of St. Anthony apparently had no market and were considered of little value unless there was a new move on foot to purchase control. We have pursued our inquiries further and find that there are grounds to support the latter idea. It is difficult to learn who is behind the drive for the stock but an offering of the shares on the stock exchanges might bring the purchasers from under cover. We have been unable to get any line on a possible price, for any transactions that may have taken place recently must have been carried out privately.

## *Don't Give up Good Investment For Stocks Unknown to You*

YOU remember, don't you, how the clever shyster got Aladdin's lamp away from him. He went around the streets near Aladdin's million dollar California bungalow calling "New lamps for old." Mrs. Aladdin could not resist the temptation to make a trade; she handed the magic lamp over to the fakir in exchange for a new bridge lamp for the living room. And pretty soon Mr. and Mrs. Aladdin were out in the street and some mortgage company had the bungalow up for sale to the next newly-rich family to come along.

That happens very often in the field of investment. Doctor Smith who owns a few shares of C.P.R. stock will get a 'phone call from a new financial house. "You have a good profit on your C.P.R. and you ought to take it because we hear C.P.R. is up against pretty tough competition from the National and is going to slide," he hears some one say. Moreover the day of the railroad is past. The motor bus is here. We're promoting a company to run a bus line from Sydney, C.B. to Prince Rupert and we want to let you in on the ground floor so we'll take your C.P.R. stock at two points above the market in payment for Trans-Canada Bus Limited, stock."

This is a favorite game of fly-by-night stock salesmen. They get hold of the shareholders list of a big corporation and then try to get the shareholders to give up their good stock in exchange for stock in new enterprises. It evidently works, since every new proposition tries it.

The investor, who holds a good security, should not give it up for something he does not know much about. He usually will benefit to just about the same extent that Aladdin's wife did.

This does not mean that the investor should not seek profitable opportunities to switch his investments. Some of the most successful investment houses in Canada are firms that have never underwritten a block of bonds or stock but who specialize in serving their customers by keeping their investments always in trim and by showing them how to take advantage of the changing winds of finance.

Exchanges should always be carefully weighed and the source of the advice should be considered. If you are dealing with a reliable investment house you have not much to worry about.

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Royal Securities Corporation maintains offices or representatives in important cities throughout Canada and in New York.

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# POST-Scripts

THE spread of employee stock ownership in American corporations has brought new thoughts and ideas into employees' magazines.

For instance, on one page of the Standard Record, published for its employees by the Standard Oil Co. of Indiana, appeared a dividend announcement: "Make Your Stock Pay Dividends!" Some one evidently thought that was hardly strong enough, for on the next page appeared another slogan: "Make Your Stock Pay Extra Dividends."

VICTORIA has an unknown entry for the book-borrowers' championship. A student of Canadian Pacific Railway affairs reports that, wishing to consult the earlier reports of the company, he went to the provincial library and found that certain reports of the company had been borrowed and had not been returned. Others from time to time since then have met with the same explanation of the absence of these reports from the library. Apparently the borrower still retains them. And not only is there a gap in a series of papers that are very interesting from the historical standpoint and valuable for consultation by members of the legislature and the general public, but these reports, which have evidently been borrowed by some person with a very indefinite conscience, were loaned to the library some years ago by a public spirited citizen who valued them greatly as a feature of his own private library, but who, when appealed to, immediately showed his appreciation of the wider value they would have in the provincial collection. He willingly made a sacrifice for the benefit of the library—a benefit which now seems to have largely accrued to one selfish, or very careless, individual.

MANY clever tricks are resorted to in the endeavor to perpetuate small frauds. Recently a badly dressed man entered a New York bank and presented two $2.50 gold pieces, informing the officer of the bank that he was actually hungry and that he would like to borrow money on these two gold pieces, claiming that they had been given him by his mother at her death and that for sentimental reasons he would not part with them. It is said that this man actually wept tears in his endeavor to impress the bank officer who told him that he would loan him $5.00 on the two $2.50 gold pieces. The bank officer tendered a $5 bill and the man placed the two gold pieces on the counter with a remark, looking up into the bank officer's face, "Thank God, you have saved my life!" The bank officer by good luck did not lift his eyes from the two gold pieces and observed the caller quickly tossing them up his sleeve. Immediately the bank officer stopped him and asked him to shake his arm. Of course the caller protested indignantly, but finally he did so with the result that the two gold pieces were shaken out on the floor.

This caller then made such a hasty retreat from the bank that he neglected to take with him the $5 bill and the bank officer has the gold pieces to his credit.

IT is no small task editing a newspaper in troublous political times, when the currents of politics veer hourly and one telegraphic "flash" undoes another. Many Canadian daily newspapers have made themselves ridiculous in the past week or two by saying one thing on one page and denying it on another page, "made up" a few minutes or hours later.

For instance, the Toronto Star had an editorial on the day King resigned. The editorial decried the statement in the Mail and Empire that Baron Byng had refused King a dissolution. It was mere cheap Tory propaganda, said the Star. Yet on its front page that very day ran King's statement confirming what the Mail and Empire had said.

But the Mail and Empire itself got into trouble. In one of its Ottawa despatches the correspondent referred to Lucien Cannon as Solicitor-General and to the Liberals as "the government," although this was several days after the Conservatives had assumed the government.

And the same paper heralded the vote on the King want of confidence motion by saying that if there was any doubt of Meighen being able to command a majority it was now dissipated. Next day Meighen was licked by one vote.

*New Tenth Edition*

**The Greenshields Analysis**

**In response to numerous requests we have just published the 10th Edition of our Analysis of Canadian Stocks—revised to June, 1926.**

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|---|---|---|---|
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| Dominion of Canada Guaranteed 5's (Issued by Canadian National Railways) | 1954 | 102.00 | 4.87% |
| *†Govt. of Argentine (External) 6's | 1959 | 99.25 | 6.05% |
| *†Imperial Japanese Govt. (External) 4's | 1931 | 89.50 | 6.08% |
| *†Kingdom of Norway (External) 5½'s | 1965 | 98.00 | 5.65% |
| Province of Ontario 5's | 1948 | 102.00 | 4.86% |
| †City of Montreal 4½'s | 1946 | 96.17 | 4.80% |
| Canadian Pacific Railway 4½'s | 1944 | 94.00 | 5.00% |
| †Duke-Price Power Co. Ltd. 6's | 1966 | 102.50 | 5.83% |
| *†Montreal Tramways Co. Ltd. 5's | 1941 | 98.00 | 5.20% |
| Ogilvie Flour Mills Co. Ltd. 6's | 1932 | 104.75 | 5.10% |
| Paton Manufacturing Co. Ltd. 6's | 1953 | 102.00 | 5.85% |

* Listed on New York Stock Exchange.
† Principal and Interest payable in New York Funds

The above Bonds are offered subject to prior sale and change in price. Complete information regarding any issue and a copy of the July edition of our publication "Investment Securities" will be forwarded upon request.

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# *News of the Investment Market*

## BANKS WILL NOT DUMP THEIR BOND HOLDINGS ON MART

### They Buy Fewer Issues But Maintain Their Holdings

Investment houses report that Canadian banks have not been buying bonds as freely during the past two months as they have bought them in the six year period since 1920.

This is natural. Business throughout Canada is showing distinct signs of betterment and the resources of banks will be demanded in the financing of commercial transactions. There will be less need to invest liquid assets in Government and similar securities.

According to the last Canadian government bank statement, which gave the condition of the banks at April 30, 1926, the banks held some $550,000,000 of securities of the dominion, provincial and municipal governments and of railways and other corporations. This was not the peak figure and indeed was only fractionally below the high point of $575,000,000 reached in the previous month. The banks of Canada have almost 20 per cent. of their total resources invested in such securities. This is perhaps a higher proportion than they would ordinarily invest in such a way if the trend of business were such as to warrant the use of a larger part of their resources in financing commercial transactions.

Security holdings of the banks on April 30 last were as follows:

| | |
|---|---|
| Government securities (Dominion and provincial bonds and short-term loans to Dominion) | $355,888,016 |
| Municipal securities (Canadian municipal, British and foreign securities) | 130,213,699 |
| Corporation securities | 63,726,514 |
| | $549,828,229 |

The total security holdings have shown a steady advance since 1920. Figures for the past few years follow:

| | |
|---|---|
| 1924— | |
| January | $435,500,000 |
| February | 465,100,000 |
| March | 469,900,000 |
| April | 484,100,000 |
| May | 495,300,000 |
| June | 510,000,000 |
| July | 507,100,000 |
| August | 511,600,000 |
| September | 565,400,000 |
| October | 554,300,000 |
| November | 496,700,000 |
| December | 535,700,000 |
| 1925— | |
| January | $542,300,000 |
| February | 569,900,000 |
| March | 569,000,000 |
| April | 564,100,000 |
| May | 574,600,000 |
| June | 574,100,000 |
| July | 575,100,000 |
| September | 563,900,000 |
| October | 573,100,000 |
| November | 559,000,000 |
| December | 549,600,000 |
| 1926— | |
| January | $562,700,000 |
| February | 564,300,000 |
| March | 576,700,000 |
| April | 549,800,000 |

It is not to be expected that the banks will liquidate any large proportion of their holdings of securities. The total figure is not likely to show great decline in the immediate future. Banking assets have inincreased so greatly that the present holdings do not represent as high a percentage of total assets as they would have represented a few years ago. They will continue to represent a smaller percentage of total assets, even though the total holdings remain fairly stable.

One bond house points out that Canadian banks can afford to maintain a strong liquid position in the face of reviving business. It refers also to the responsibility resting upon the banks to maintain and do this.

## BOND ISSUE SOON ON GATINEAU WORK

### Large Offering to be Made on International Paper Project

**From Our Own Correspondent.**

MONTREAL.—The big power project of the International Paper Company on the Gatineau River naturally will call for new financing; this, in part, will be provided by a new bond issue, which, it is understood, has been underwritten by a syndicate headed by Harris, Forbes and Company.

It is said that the total power project will involve a bond issue in the neighborhood of $47,000,000. The offering which is shortly to be made to the public will probably amount to less than half this figure.

The bonds will be a first mortgage of the Gatineau Power Company; the shares of this company are entirely owned by the Canadian International Paper Company, which in turn is owned by the International Paper Company. The power project consists of three developments on the Gatineau River, with a storage dam situated near the head waters, which will regulate and increase the average flow.

The attractiveness of the new issue will be enhanced considerably through the contract which the company holds with the Ontario Hydro Electric Commission, for the sale of 230,000 h.p. for thirty years. The price of the power is said to be $15 per h.p. The total developments from the three power sites will approximate 450,000 h.p.

The three power sites which are to be developed on the Gatineau are at Farmers Rapids, at Chelsea, and at Paugan Falls. At the two former sites a great deal of the concrete work has already been completed, whilst at Paugan Falls only the preliminary work has been finished. Work on the storage dam at the head-waters of the river is well under way and a large force of men is employed on the ground.

## *Sound Appraisals Will Protect Buyers of Real Estate Bonds*

The danger of putting excessive bond issues on office buildings, and other large realty developments, has been emphasized by a number of speakers and writers in the United States recently.

In Canada, investors have been reasonably protected by financial houses working out this type of investment, but the rapid growth in popularity of real estate bonds has made the danger of loose methods very apparent. The established investment houses continue to safeguard each such issue that they handle.

Lee Thompson Smith, New York, president of the National Association of Building Owners and Managers, pleaded for efforts to insure sound financing of large office buildings. He would have such financing by stock issues representing the margin of ownership equity and would limit bond flotations to not more than 50 per cent. of real value. In part, he said:

"Owners and managers of office buildings have a moral responsibility to assist in educating the investing public to the pitfalls which surround the wildcat financing of skyscrapers. In so doing they will succeed in preventing unwise or unneeded building and will be able to justify and maintain the high regard with which real estate securities are generally held.

"It is incumbent upon us to point out the dangers of excessive appraisals for bond issue purposes and to condemn the practices of financing some buildings with only a thin margin of ownership equity.

"For safe financing I suggest an investment bond issue secured by a first mortgage of not more than one-half of the real value of property; a preferred stock issue of about one-quarter of the value of the building and a speculative common stock issue of the remainder.

"Such a method of financing would discourage uneconomic construction; would tend to avoid the necessity of future high rentals, and would safeguard the investing public from reposing financial responsibility in a stock company rather than a single individual or a small group of promoters.

"The modern office building represents such a colossal enterprise that financial responsibility for its well being should be placed in the hands of a group of individuals subject to regulation with which other fiduciary bodies must comply.

"Instead of inflicting any hardship through such a plan of financing, there would be a ready sale of securities both of the first mortgage bonds and the preferred stock with the common stock gaining in value each year as the project forges ahead and establishes itself as a going proposition. The chief value of this plan would be to eliminate wildcat financing methods from the skyscraper construction field."

## C.N.R. Undecided About Toronto Suburban Line

The motor bus is the factor at present creating uncertainty as to the future of Toronto Suburban Railway Company. This company, which is part of the Canadian National Railways system and operates an electric line between Toronto and Guelph, has been meeting its debenture interest, but the present price of the security is such as to reflect uncertainty as to the future.

The line is not paying and the C.N.R. has from time to time been forced to advance money to enable the company to meet its obligations. From sources close to the C.N.R., it is learned that "owing to the fact that motor bus competition is a serious factor and there seems but little likelihood of this competition being restricted, no definite programme for the future has been decided upon in respect to the line."

Suggestions have gone the rounds that the C.N.R. will give up the line entirely and let the bondholders do as they like with it, preferring to lose the traffic advantage of the line rather than pay out money to meet losses. On the other hand, the desire of the Canadian National Railways to retain control of the freight and passenger business in certain areas and to avoid any repetition of the complaints that followed in England from the defaulting of interest on G.T.P. securities, are suggested as factors of safety for the debenture holders.

## Many New Issues Held For Offering in Autumn

Although investors are going after new security issues like kids after ice cream cones, there is no likelihood of the recent plethora of new financing and re-financing continuing in abundant flow through the dog days. Vacation season is here and golf is calling and the partners in some of the bond houses are letting the banks carry their best new propositions until fall. If all the new financing that is on the boards for fall comes out there will be a record-breaking list of good new issues.

This week two bond houses closed up three issues between them and had them all ready to offer to the public if they had so desired. Instead the heads of the firms went fishing and left the issues for autumn selling.

Ofter the bond houses talk about winter income and summer income and suggest that money available for reinvestment in the summer should not be held over until fall, but put to work at once. Well, this is no time for preaching, but some of the bond houses are not setting the good example when they virtually shut up shop for summer and golf.

## Ice-O-Matic Will Also Make Business Machines

In offering their issue of preferred stock of the Ice-O-Matic Refrigeration Company, Walter T. Smith and Company and Roberts, Cameron and Company state that "After the manufacture of Ice-O-Matic machines has been thoroughly established in Canada, the company will make other electrical appliances, such as oil burners, computing scales, electric coffee mills and choppers, etc., which are capable of manufacture with the same equipment."

On the question of earnings, it is stated "Basing an estimate of earnings on the manufacture and sale of 2,000 machines in the first year of operation, calculated to be in sight, net earnings would be $79,100, or sufficient to pay the preferred dividends more than three times over, which after payment of preferred dividends would leave $6.45 per share on the common stock."

The issue was fully described in The Financial Post a couple of weeks ago.

## June Bond Sales

Canadian bond sales in June totalled $54,552,068, which compares with $30,956,100 for the same month last year. For the first six months, the total is $318,521,114. Following is a list of the sales for the month and for the six months:

| | |
|---|---|
| Municipal | $4,944,068 |
| Corporation | 28,665,000 |
| Provincial | 20,943,000 |
| Total for June | $54,552,068 |
| **Year to Date** | |
| January | $31,015,150 |
| February | 109,171,117 |
| March | 24,428,211 |
| April | 65,611,122 |
| May | 33,743,446 |
| June | 54,552,068 |
| | $318,521,114 |

## N.S. Steel Debenture Holders Form Committee

**From Our Own Correspondent.**

MONTREAL.—A committee of debenture holders of the Nova Scotia Steel and Coal Company has been formed to protect the interest of these security holders. The committee is shortly to issue a circular; D. C. Sinclair, acting on behalf of some of the larger debenture holders, has announced that in the meantime it is desirable that debenture holders do not dispose of their holdings in any way until the circular is published.

A committee to protect the interest of the first mortgage bondholders of the company is also in process of formation. The debenture holders committee, which is shortly going to invite the holders of the stock to deposit their scrip with a trust company for their mutual protection, is composed of the following:

I. W. Killam, president of Royal Securities Corporation, Limited, Montreal; C. E. Smith, president of Moir's, Limited, Halifax, and a director of the Bank of Nova Scotia; G. McG. Mitchell, director of the Royal Bank of Canada and of the Royal Securities Corporation; W. D. Ross, director of the Bank of Nova Scotia; D. C. Sinclair, president of the J. W. Carmichael Company of New Glasgow, N.S., and E. G. Hanson, of Montreal.

### ASBESTOS BONDS LISTED

MONTREAL. The first mortgage and the general mortgage bonds of the Asbestos Corporation were listed on the stock exchange this week.

### JOINS JOHNSTON AND WARD

It is announced that J. George Garneau, member of the Montreal stock exchange, formerly with Geoffrion & Company, has become associated with the firm of Johnston and Ward, members of the Montreal and Toronto stock exchanges, Chicago board of trade, and Winnipeg grain exchange. Prior to joining Geoffrion & Company, Mr. Garneau had been for ten years with the Molsons Bank, which he left in 1915 to join the overseas forces, seeing service with the 22nd Battalion and Royal Flying Corps.

### BUFFALO LOEW'S THEATRES

Some days ago stockholders of Loew's Buffalo Theatres, Inc., received a letter from the new management suggesting that a voting trust be formed. The Manufacturers' & Traders' Trust Co., Buffalo, consented to act as trustee, and shareholders were asked to join this voting trust by presenting stock certificates to the trust company, after which new trustees' certificates would be delivered in exchange.

### RAILWAY EARNINGS

| | 1926 | 1925 | Change |
|---|---|---|---|
| **Canadian Pacific** | | | |
| Week end. June 30 | $4,754,000 | $4,198,000 | +$ 556,000 |
| **Canadian National** | | | |
| Week end. June 30 | $6,961,138 | $5,935,462 | +$1,025,676 |

## *New Patents of Inventive Genius Not Sure Thing For Investor*

THE inventor, or more often the stock promoter with an inventive genius in tow, can always find a few people ready to back a new patent with their savings. And yet the vast majority of companies, that are organized to exploit new devices disappear from everything except the official records before the promoters and their gangs of salesmen have sold a quarter of the authorized capital stock.

The reason that it is so easy to sell stock in such companies is that people do not realize that the merit of an invention or device may have nothing whatever to do with the success of any particular company. If the company is not soundly organized and financed it is certain to fail even though the invention be an apparatus for turning nickel into gold or a new shaving cream that will actually do all that is claimed for the present ones.

Many such concerns die from lack of capital. The promoter pushes the sale of stock as long as it is easy to sell; as long as the novelty has not worn off and it is possible to pay dividends without spending money faster than it comes in. But when the selling gets hard he jumps to a new concern with a newer patent or mine or oil property. The inventor finds himself with his patents tied up and nothing to show for them but a block of stock he cannot sell. The investors find that the company's money is gone and there is no one ready to put up any more. And the whole thing dies a natural death.

This is a gloomy tale but the story of promotion of new companies is deserving of gloomy telling.

A rattling good patent does not mean, necessarily, a successful investment.

## A GREAT FUTURE FOR WATER POWER IN THIS COUNTRY

### Over Billion Dollars to be Invested in Twenty Years

**From Our Own Correspondent**

MONTREAL.—The recent visit of a group of 35 financiers from New York, Boston, Philadelphia, and other leading American business centres to the power development enterprises in Quebec is regarded as having great significance in regard to the various power and paper undertakings in the province. Commenting on this visit and on the development of hydro power in Canada, Johnston and Ward say:

Back in 1900 well under 200,000 hydro-electric horse-power had been installed in this country; by 1910 the total had risen to five times this, showing an increase of nearly 400 per cent. in the decade. By 1915 the total had grown to 2,100,000 h.p.—even more marvelous a gain, showing in five years greater progress than for all time preceding 1910. By 1920 there had been an increase to 2,500,000 h.p.—the war checking developments that otherwise would have proceeded. The next five years, however, showed a resumption of the rapid progress: for by the end of 1925 the total installation had reached 4,290,000 h.p., a gain of about 1,800,000 h.p. in a period of five years, an average of 360,000 h.p. per annum. Of the present total over 750,000 h.p. is utilized by pulp and paper mills, which are by far the largest single customers of the hydro-electric industry.

That the development of "hydro" power in Canada is only in the early stages as yet may reasonably be assumed. And a further assumption just as logical is that investment in hydro-electric enterprises will come to stand out, not only far ahead of that of any other industry in volume, but probably in the profitable returns that will accrue to the investor.

### Big Developments to Come

As to the first it is necessary only to point out that in 1925 over 700,000 additional horse-power was installed in Canada, not only the largest record for any individual year, but more than equal to the totals of the two preceding years; over three times the total installation prior to 1901, and quite equal to the entire increase in what generally was regarded as a flourishing hydro-electric period in Canada,—the years between 1900 and 1910. While it is hardly likely that the record total of 1925 will be duplicated for some time to come, it is clear that new records in individual developments are yet to be established. For the Aluminum Company of America in the power that it is planning to generate from its Chute au Caron site, eventually will have an installed capacity of 800,000 horse-power, the largest on the continent, while the British Columbia Electric Company is rapidly bringing up its hydro-electric installed capacity to 700,000 horse-power. In a few months the Duke-Price Power Company, operating at the Grand Discharge, Lake St. John, will have reached its destination of 540,000 h.p. capacity, and already the Hydro-Electric Power Commission of Ontario, in the huge Chippawa plant, has passed the half-million mark.

### Over $1,300,000,000 by 1945

All these huge enterprises have served to turn the eyes of the world towards Canada, and it is clear that in the next few years vast sums of money will pour into Canada from the United States and also from England for investment in hydro-electric developments. The estimates of just what capital is likely to be invested in Canadian hydro-electric enterprises in the next 20 years, in well-informed quarters, almost passes conception. A recent estimate of the Water Power Branch of the Department of the Interior at Ottawa places the probable hydro installation in this country by the year 1945 at well over 8,000,000 h.p., or practically double to-day's total. Coupled with this is a conclusion that something like $1,300,000,000 of new money will be required—and actually utilized—in these huge undertakings.

### PATHFINDER MINE OFFICIALS

At the annual general meeting of the Pathfinder Mining Company, held at Spokane, the following officers were elected for the ensuing year: W. Wilson, president; C. M. King, vice-president; William Swain, sec.-treas.; C. M. Manley and Joseph Naszenger, directors. The company will continue the development of the Pathfinder group, near Grand Forks.

**Quebec Southern Power Corporation**
6½% First Mortgage & Collateral Trust,
20-Year Sinking Fund Gold Bonds, Due May 1, 1945
Price: 99 and accrued interest, yielding about 6.60%.
Fully descriptive circular upon request.
**MATTHEWS & COMPANY**
LIMITED
255 Bay St., Toronto

TELEPHONE M 1921 OIL SHARES & LEASES
**H. N. WHITE & COMPANY**
INVESTMENT SECURITIES
REAL ESTATE
804 First St. West. Calgary, Canada.

**HAMILTON, WARNER & CO.**
BONDS
Government
Municipal
Corporation
Transportation Bldg.
MONTREAL

# Municipal and Provincial Finance

## Municipal Bonds

*A Safe Investment with a generous yield*

For the investor who desires safety with a good yield, we recommend the 5½% Bonds of the City of Edmonton. This city is one of the leading municipalities in Western Canada. Its finances are on a sound basis. It has made an average annual profit of $350,000 on its public utilities during the last five years. The Bonds of the City of Edmonton have a wide distribution throughout Canada and the United States.

**Price: 101⅜ and interest to yield 5.39%**

*Write for further particulars.*

**Gairdner & Co.**
Limited
312 BAY STREET - TORONTO 2

## SYSTEMATIC SAVINGS

And Sound Investments are the roots of most large fortunes.

The following table will show you what weekly savings of $5, $10 or $25 if invested in good Bonds to yield 6% will amount to in 20 years.

| | |
|---|---|
| $5 | $9,839.12 |
| $10 | $19,717.06 |
| $25 | $49,309.87 |

Our Systematic Monthly Savings Plan will enable you to Invest while you Save.

*Send for our Plan.*

**H. B. ROBINSON & Co. Limited**
*Investment Bankers*
35 King St. West
TORONTO
ELGIN 1224
136 St. James Street
MONTREAL
MAIN 8542

*We offer*

**$200,000**

## Asbestos Corporation Limited

**6% General Mortgage 30-Year Sinking Fund Bonds**

ASBESTOS CORPORATION LIMITED includes the following Companies:—

ASBESTOS CORP. OF CAN. LTD.
CONSOLIDATED ASBESTOS, LTD.
FEDERAL ASBESTOS, LIMITED.
THETFORD VIMY, LIMITED.
MAPLE LEAF ASB. CORP. LTD.
ASBESTOS MINES, LIMITED.
BLACK L. ASB. & CHROME, LTD.

The present offering is a portion of an issue of $4,784,135 General Mortgage Bonds, guaranteed by a mortgage on all the assets of the Company, valued at over $20,000,000, and subject only to a prior issue of $3,000,000 of First Mortgage Bonds.

**Price to yield 7%**

*Full particulars on request.*

ESTABLISHED 1910
**CREDIT-CANADA**
Limitée
Investment Bankers
120 St. James St., Montreal
MAIN 4191

**ROBERTS, CAMERON & CO.**
LIMITED,
Canadian Government and Municipal Bonds.
Listed Stocks.
Adelaide 3486-7-8.
Northern Ontario Bldg., TORONTO.

**BONDS FOR INVESTMENT**
HOUSSER, WOOD & CO.
LIMITED
*Investment Bankers*
ROYAL BANK BLDG. TORONTO

**GOVERNMENT and MUNICIPAL BONDS**

**W.L.McKINNON & Co.**
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO

## DEFAULTS FOLLOW INABILITY TO GET IN TAXES LEVIED

### Four Suburban Municipalities Around Winnipeg Behind on Debentures

Suburban municipalities around Winnipeg, whose debentures are now under the scrutiny of a protective committee appointed by the Dominion Mortgage and Investment Association and representatives of other holders, have some $64,000 of debentures in default as to principal and $102,000 of interest also in default. Total debenture debt of the municipalities concerned is $6,529,826, including interest due but not paid. The municipalities are West Kildonan, St. Vital, and St. James, all rural municipalities, as they are called in Manitoba and Transcona, a town.

**West Kildonan's Position**

West Kildonan is a community of about 1,900 acres and a total population of about 5,100 on the northern outskirts of Winnipeg city. It is purely residential and, as is often the case with residential municipalities, where there is much vacant land and many small homes, the problem of school financing, of unpaid taxes and of mounting expenditures for improvements has created serious financial difficulties. The municipality collected only 33 per cent. of its outstanding taxes in 1925 and only 60 per cent. of the current levy. Total assessment is $3,999.170 but after deducting exemptions and tax sale lands, the assessment to produce cash is only $2 649,079.

Tax arrears had grown to $236,795 at the end of 1925, in addition to tax sale certificates held and tax sale properties, bringing total arrears to $484,084. As a result of inability of many taxpayers to meet their payments it has been necessary to impose growing levies upon the others and the mill rate for 1925 was 54.2 mills.

Debenture debt was as follows, December 31, 1925:

| | Unmatured Principal | Past Due Prin | Past Due Int'r'st |
|---|---|---|---|
| R.M. of West Kildonan | $680,146 | $ | $ 450 |
| West Kild. S.D. No. 8 | 157,944 | 9,175 | $9,648 |
| Housing Scheme ..... | 207,457 | .... | ..... |
| Total Obligations | | | |
| Municipal | | | $ 680,596 |
| School | | | 176,768 |
| | | | 857,365 |
| Housing Scheme | | | 207,457 |
| | | | $1,064,822 |

Sinking fund available for distribution, $107,000.

**St. James Collects 41% Taxes**

St. James is a recent incorporation, carved in 1921 out of the rural municipality of Assiniboia. Gross assessment for 1925 was over $8,500,000, with a taxable assessment of $7,791,955. But of this taxable assessment $1,624,500 of property has passed to the municipality for non-payment of taxes and it is estimated that within a year half of the property of the town will be in the hands of the municipality. Tax collections last year were 34% of the amount due and only 41% of the annual levy.

The population is 12,090 on 5,111 acres. Debenture debt is as follows:

| | Unmatured Principal | Past Due Prin. | Past Due Int'r'st |
|---|---|---|---|
| R.M. of St. James.. | $1,732,035 | $29,802 | $26,138 |
| St. James S.D. No. 7 | 314,414 | 8,787 | 15,099 |
| Brittania S.D. 1517. | 78,500 | .... | 300 |
| Bannatyne S.D. 1549 | 72,000 | 1,000 | 550 |
| Woodhaven S.D. 2092 | 35,000 | .... | .... |
| Housing Scheme ... | 825,269 | 168,899 | .... |
| Total Obligations | | | |
| Municipal | | | $1,787,975 |
| School | | | 525,652 |
| | | | $2,313,627 |
| Housing Scheme | | | 994,169 |
| | | | $3,307,796 |
| Sinking funds | | | 35,701 |

**St. Vital Big Area; Few People**

St. Vital is a rural municipality of 14,448 acres and 8,117 on the southern boundary of Winnipeg City. There is little business activity and the municipality is a place of residence for Winnipeg working people.

Gross assessment of $5,760,815 is reduced to a taxable assessment of $4,543,155 when exemptions are deducted. The assessment was drastically pruned last year but even so is regarded as higher than it should be. It includes $965,000 of assessment of tax sale lands. Actual tax collections in 1925 were 34.75% of the amount due and 64% of current levies.

Debenture debt is as follows:

| | Unmatured Principal | Past Due Prin | Past Due Int'r'st |
|---|---|---|---|
| R.M. of St. Vital .... | $777,436 | $6,800 | $18,919 |
| Woodlawn S.D. 1499. | 116,200 | 5,550 | 8,500 |
| Glenwood S.D. 1537.. | 104,400 | 3,150 | 6,995 |
| Lavallee S.D. 1538 .. | 2,700 | .... | .... |
| St. German S.D. 969. | 4,600 | 100 | 376 |
| Vermette S.D. 970 ... | 5,475 | .... | .... |
| Housing Scheme ..... | 217,103 | .... | .... |
| Total Obligations | | | |
| Municipal | | | $803,155 |
| School | | | 258,046 |
| | | | $1,061,201 |
| Housing scheme | | | 217,103 |
| | | | $1,278,305 |
| Sinking funds | | | 72,120 |

Transcona is a railway town six miles east of Winnipeg. It has an area of 5,823 acres and population of 5,062. Most of the townsfolk depend on the C. N. R. shops, although the Canada Creosote Works is there.

Assessment is $9,588,360. The railway shops are exempt and there are other exemptions, reducing taxable assessment to $3,807,000, from which tax sales lands assessed at $1,485,930, have to be deducted, leaving live assessment of about $2,321,870. Tax arrears have grown and stood at $531,128 at the end of 1925, in addition to tax sale certificates. Only 16.73% of the taxes due last year were paid and 49.89% of the current levy was met. This shows that the arrears of taxes are virtually uncollectable. When taxes are levied the town is faced with the fact that only about half of them can be collected and so the mill rate has grown alarmingly and was 61 mills in 1925.

Debenture debt is:

| | Unmatured Principal | Past Due Prin | Past Due Int'r'st |
|---|---|---|---|
| Town of Transcona .. | $600,000 | None | $15,165 |
| Transcona S.D. 39 .. | 104,750 | ..... | .... |
| Springfield S.D. 1569 | 4,225 | ..... | .... |
| Housing Scheme .... | 154,760 | ..... | .... |
| Total Obligations | | | |
| Municipal | | | $ 615,165 |
| School | | | 108,175 |
| | | | $724,140 |
| Housing scheme | | | 154,760 |
| | | | $ 878,900 |
| Sinking funds | | | 28,000 |

## Service at Cost Plan for London Street Ry.

A service at cost, starting with a 5-cent fare and allowing the company to earn interest on its bonds and six per cent. on its stock, will be features of the new London Street Railway agreement with the city. The stock outstanding amounts to $637,480. If the 5-cent fare does not provide sufficient income, the company may obtain a higher one. The company must establish bus lines as feeders.

## This Week's Bond Sales

**SYDNEY, N.S., BOND ISSUE**

W. L. McKinnon & Co. have been awarded an issue of $55,000, Sydney, N.S., 5½ per cent., 30-year bonds on a bid of 101, which is equal to a cost basis of 5.43 per cent.

**FREDERICTON SCHOOL BONDS**

The Board of School Trustees, Fredericton, have sold an issue of $70,000 of 5½% bonds, a serial issue up to 25 years, and averaging 12½ years ot J. M. Robinson and Sons, of St. John, at $100.50. The bonds are being issued for a new school building, for which a contract was recently awarded.

**CITY OF NORTH VANCOUVER**

The City of North Vancouver has awarded an issue of $54,500, five per cent., 35-year school bonds to Read Bros. & Co., Vancouver, on a bid of 94.54. The Canadian Financiers Trust Co. secured the issue of $5,000, five per cent., five-year bonds at 97.415, and $20,000, five per cent., 20-year bonds at 95.497. The bids for the 35-year bonds follow:

| | |
|---|---|
| Read Bros. & Co. | 94.54 |
| Pemberton & Son | 94.33 |
| Royal Financial Corp. | 93.76 |
| C. H. Burgess & Co. | 92.67 |

A. E. Ames & Co. bid 94.82 for the three blocks.

## Tenders and By-laws

**July 12, Town of Chicoutimi, P.Q.—$215,000**, five per cent., serial debentures. D. V. Morrier, clerk.

**July 14, Montreal Protestant School Board.—$1,400,000**, five per cent., serial bonds. W. E. Dunton, sec.-treas.

**July 14, Town of Shawinigan Falls, P.Q.—$59,000**, serial, five per cent. bonds. A. J. Meunier, sec.-treas.

**July 16, City of Longueuil, P.Q.—$57,600**, five per cent., term bonds. J. A. l'Heureux, sec.-treas.

**July 24,—Kenora — $12,687**, 5½ per cent. sinking fund debentures, and $16,636, five per cent., due 1953. F. J. Hooper, treas. (See announcement on page 16).

**July 17, School Municipality of the Parish of Sainte Florence, P.Q.—$5,000**, 6½ per cent. serial debentures. F. E. LePage, sec.-treas.

**July 20, School Commissioners of the City of Cap de la Madeleine.—$110,000**, five per cent. serial debentures. J. O. Loranger, sec.-treas.

**UNLISTED BONDS**

| | | |
|---|---|---|
| Abitibi 6% 1940 | 102½ | 103 |
| Algoma Steel 5% 1962 | 29½ | 30½ |
| Belding 5% 1936 | 89 | .. |
| Belgo Can. Paper 6% 1943 | 100 | 100¾ |
| Burns, P. & Co. 6½% 1943 | 103⅛ | 104 |
| Can. National Rly. 5% 1954 | 101 | 101⅝ |
| Calgary Brewing 5% 1942 | 83 | .. |
| Can. Steamship Lines 7% 1942 | 104¾ | .. |
| Can. Pacific Rly. 5% 1934 | 99¾ | 100¼ |
| Can. Pacific Rly. 5½% 1944 | 93⅝ | 94 |
| Can. Steel Foundries 6% 1936 | 102 | .. |
| Dom. Iron 5% 1939 | .. | 40 |
| Dom. Textile 6% 1949 | 106½ | .. |
| Elect. Develop. 5% 1933 | 100⅝ | .. |
| Frontenac Brewery 6% 1951 | 97¾ | 99¼ |
| Fraser Companies 6% 1950 | 97 | 98 |
| H. Smith Paper 7% 1941 | 100¼ | .. |
| Laurentide Power 5% 1946 | 100 | .. |
| Laurentian Power 6% 1936 | 100¾ | .. |
| Prov. of Ontario 5% 1948 | 101 | 101⅝ |
| Ontario Pulp 6% 1931 | 107 | .. |
| Price Bros. 6% 1943 | 103¼ | 104 |
| Quebec Power 6% 1953 | 103⅝ | 104 |
| Winnipeg Elec. 6% 1954 | 96¼ | 97 |
| St. Maurice Power 6½% 1953 | 108⅝ | .. |
| Jam. Pub. Service 6½% 1943 | 102½ | .. |
| Span. River P. 8% 1941 | 107 | .. |
| Ottawa Mtl. Pr. 6½% 1949 | 101 | .. |

## EASTERN ONTARIO WANTS CHEAP POWER

### Municipalities Say Increases by the Hydro Are Driving Factories to Use Steam

BELLEVILLE.—That excessive cost of water-developed electric energy is driving manufacturers in Eastern Ontario back to steam-generated power, was one of the significant facts brought out at a meeting of the executive of the newly-formed Eastern Ontario Chamber of Commerce held here.

At the conclusion a resolution was adopted claiming that the industrial and commercial development of eastern Ontario has been greatly retarded in the past because of expensive and inadequate hydro-electric power, and that recent advances in the charges made by he Hydro-Electric Power Commission have at various places imposed an intolerable burden upon manufacturing enterprise, causing a number of the largest industrial corporations to seek relief from other sources, or by removal to other centres where cheaper power was available.

On the question of the Gatineau development, the executive went on record as favoring the development of all power in this division, or procurable by lease from the Gatineau or other surrounding sources at 60-cycle frequency, and that transmission be at 44,000 voltage. The government was asked to place the main transmitting lines so as to serve most economically 700,000 people resident in this division.

## COURTS ASKED TO PRESERVE RIGHTS OF STEAMERS PREFERRED

(Continued from page 1)

a firm of Kissell, Kinnicutt & Company, bankers, of New York, and it is wholly unnecessary that the arrears of accumulated dividends on the 7 per cent. preference shares should be removed from the balance sheet in order to consummate the funding of such indebtedness insofar as petition is concerned;

**Technical Objections**

The petition sets forth at length a number of technical reasons as to why the meeting of the shareholders of June 9th was not legal. One clause reads:

That the so-called scheme of arrangement in the form as illegally modified by the directors on May 21 or on June 9, 1926 had never been submitted to an honorable judge of said court for consideration and no meeting of shareholders had ever been applied for or ordered by any one of the honorable judges of said court with respect to the so-called scheme of arrangement in either of said modified forms;

**Common Shareholders Benefit**

As to the benefits of the proposed plan to either preferred or common shareholders the petition says.

The benefit to be derived from the increase of 20 per cent. in the nominal par value of the preference shares over the par value of the present holdings of the preference shareholders is wholly illusory as petitioner's assets will be in no manner increased by or as a result of the carrying out of the scheme of arrangement, which, on the other hand, its capital liabilities will be increased to the extent of $2,500,000;

The direct beneficiaries of the proposed scheme would be the common shareholders, who, unless the scheme is carried out, cannot receive any dividends unless and until the full arrears of $35.00 and all current dividends upon the preference shares have been paid in full;

The charge that the proposed arrangement is in the interests of the common shareholders to the detriment of the holders of the preference shares is also made in the following passage:

That the suggestion put forward by the petitioner to the effect that it is in the interest of the petitioner at large that the arrears of preference dividends should be made to disappear from the balance sheet in order to facilitate the sale of the proposed new issue of bonds, offers no justification whatever for the confiscation proposed to be made of dividends amounting to $4,375,000 payable to the holders of said preference shares on December 31st, 1926, and said suggestion is a mere subterfuge in order to excuse the otherwise indefensible action of the petitioner's board of directors in the premises, the whole of the members of which have aligned themselves in this matter with the holders of the common stock, to the detriment and gross prejudice of the holders of preference shares;

**MORE SHEEP IN ALBERTA**

EDMONTON. — Alberta is making greater progress in the sheep industry than any other province, according to a statement made by W. H. J. Tisdale, assistant general manager of the Canadian Co-operative Wool Growers' Association, in a recent interview. Mr. Tisdale states that the co-operative pool expects to receive some 1,500,000 lbs. of wool from Alberta this year.

**BANKS USE TEAR BOMBS**

The banks in Minnesota are taking every possible precaution, against robberies these days. In addition to having well-drilled rangers or guards, units of the new county ranger system, many of these banks have also devised another form of defense, namely, tear gas bombs. This type of bomb has become popular since a band of robbers was repulsed in an attempt to enter a bank at Cold Spring. Some of the banks have adopted the regular war-time gas bomb, while others rely on bombs that give off ammonia fumes as being sufficiently efficacious for all ordinary purposes. The general method is to conceal the bombs just inside the vault wall, where they are easily exploded if penetrated by a drill.

**BOND MOVEMENTS OF THE WEEK**

**Week Ending July 6**

| Bonds— | Int. Rate | Due | Yield | Range. 1925 High | Low | Range, 1926 High | Low | Ask | Bid | Latest Price High | Low |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Asbestos | 6 | 1956 | 7.27 | .. | .. | 84⅝ | 84½ | 84½ | 84 | 84⅝ | 84½ |
| Can. Canners | 6 | 1950 | 6.24 | 96½ | 90 | 97 | 94 | 97 | 96½ | 97 | 96¾ |
| Can. Cement | 6 | 1929 | 5.27 | 103¼ | 100 | 103 | 101½ | ... | 102 | 102 | .. |
| Dom. Coal | 5 | 1940 | 6.60 | 90 | 84 | 89½ | 85 | .. | 85½ | 85½ | 85 |
| Dom. Iron | 5 | 1929 | .... | 94 | 86 | 92 | 70½ | .. | 71¼ | 71¼ | .. |
| Montreal Trams "A" | 5 | 1955 | 5.49 | 98 | 92¾ | 95 | 92½ | 93 | 92⅞ | 92⅞ | .. |
| Montreal Trams | 5 | 1941 | 5.16 | 98 | 94⅞ | 98½ | 97 | 98¼ | 97½ | 98¼ | 97½ |
| Penmans | 5 | 1926 | 5.00 | 99 | 98 | 100 | 99 | 100 | .. | 100 | .. |
| Quebec Rly | 5 | 1939 | 5.60 | 98 | 89¾ | 95 | 91⅞ | 94⅜ | .. | 94⅝ | 94⅜ |
| Sao Paulo | 5 | 1929 | 6.11 | 95 | 91 | 97⅛ | 95½ | 97⅝ | 96⅞ | 97⅛ | 97 |
| Wayagamack | 6 | 1951 | 6.59 | 98¾ | 84¼ | 92¾ | 91¾ | .. | 92¾ | 92¾ | 92 |
| War Loan | 5 | 1931 | 4.65 | 102.65 | 101.10 | 102.40 | 101.20 | 101.45 | 101.30 | 101.70 | 101.25 |
| Do. | 5 | 1937 | 4.66 | 104.95 | 103.80 | 104.65 | 103.35 | 103.90 | 103.55 | 103.55 | 103.45 |
| Victory Loan | 5½ | 1927 | 4.60 | 103.15 | 101.70 | 101.75 | 100.65 | 101.15 | 100.80 | 101.00 | 100.65 |
| Do. | 5½ | 1933 | 4.70 | 107.00 | 105.10 | 106.80 | 104.65 | 104.80 | 104.65 | 104.85 | 104.70 |
| Do. | 5½ | 1934 | 4.96 | 104.80 | 103.20 | 104.10 | 103.10 | 103.45 | 103.40 | 103.50 | 103.25 |
| Do. | 5½ | 1937 | 4.65 | 110.00 | 108.15 | 109.30 | 107.35 | 107.95 | 107.75 | 108.00 | 107.55 |
| Do. Renewal | 5½ | 1927 | 5.00 | 102.95 | 100.80 | 101.95 | 100.25 | 101.05 | 100.70 | 100.35 | ...... |
| Do. | 5½ | 1932 | 4.98 | 104.20 | 102.60 | 103.40 | 102.00 | 102.90 | 102.55 | 102.80 | 102.40 |
| Do. Refund | 5 | 1928 | 4.75 | 104.45 | 100.15 | 101.30 | 100.05 | 100.55 | 100.20 | ...... | ...... |
| Do. | 4½ | 1940 | 4.89 | 97.25 | 92.00 | 96.70 | 95.60 | 96.40 | 96.05 | 96.00 | 95.90 |
| Do. | 5 | 1943 | 4.85 | 102.95 | 101.15 | 102.20 | 101.15 | 101.65 | 101.45 | 101.65 | 101.45 |
| Do. | 4½ | 1944 | 4.82 | 97.65 | 96.20 | 97.15 | 95.80 | 96.25 | 96.05 | 96.45 | 95.90 |
| Do. | 4½ | 1946 | 4.80 | ..... | ..... | 96.45 | 95.65 | 96.45 | 96.10 | 96.45 | 95.90 |

## WEEKLY RECORD OF CANADIAN FINANCING

| Place | Date | —Sold To— | Rate | Maturity | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Bond Sales— | | Municipal | | | | | |
| North Vancouver | June | Read Bros. & Co. | 5% | 1961 | $54,500 | 94.54 | 5.34 |
| North Vancouver | June | Can. Financiers Trust Co. | 5% | 5 & 20-yr. | 25,000 | 95.497 | ... |
| Windsor R.C. School | June | Dyment, Anderson & Co. | 5½% | 1927-56 | 200,000 | .... | 5.05 |
| Sydney, N.S. | July | W. L. McKinnon & Co. | 5½% | 1956 | 55,000 | 101 | 5.43 |
| Fredericton | July | J. M. Robinson & Sons | 5½% | Serial | $70,000 | 100.50 | .... |
| | | Corporation | | | | | |
| Vancouver Georgia Hotel | July | S. W. Straus & Co. | 6½% | Serial | 1,350,000 | .... | 6.50 |
| Regina Agricultural & Industrial Exhibition | July | Hay & James | 7% | 1935 | 60,000 | 100 | 7% |
| Can. and Foreign Corp. | July | Goldman & Co. | 5½% | 1941 | 100,000 | 100 | 5.50 |
| Anglo-Can. Pulp & Paper | July | | 6½% | | 6,000,000 | 99 | |
| Stock Issues— | | | | | | | |
| Ice-O-Matic Refrigerators Co. | July | W. T. Smith & Co. | 7% | Pref. | 300,000 | 100 | 7% |

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**Price: 98.50 and accrued interest**
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Belgo Paper 6's ........ 1943
Belgo Paper 7% Preferred Shares.
Quebec Power 6's ........ 1953
Quebec Railway 5's ........ 1939
St. Maurice Power 6½'s ........ 1953
Wayagamack 6½'s ........ 1930
Wayagamack 6's ........ 1951
Montreal Tramways 5's 1941
Montreal Tramways 5's .. 1955
Montreal Public Service 5's ........ 1942
Windsor Hotel 6½'s ........ 1943
Laurentide Power 5½'s .. 1946
Duke-Price Power 6's ..... 1966
Manitoba Power 5½% .... 1951
Also Bonds of Provinces and the larger Canadian Cities

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# *Insurance for Buyer and Seller*

## SASK. MUNICIPAL HAIL INSURANCE REPORTS GROWTH

### Has Paid Claims of $7,000,000 and Has $2,000,000 Reserve

The Saskatchewan Municipal Hail Insurance Association enters its fourteenth crop season with the very substantial balance of two million dollars in its claims reserve fund, a total of more than thirty thousand farmers enjoying the protection of their own co-operative hail insurance system, while over seven million dollars have been distributed as payment of claims since the association started business. A great majority of the municipalities in the important crop producing areas in the province are supporters of the scheme and the few gaps left in the almost solid block of municipal hail municipalities, extending from the south-east to the north-west of the province, are being rapidly filled.

"The hail losses paid by the Saskatchewan Municipal Hail Association for 1925 amounted to $669,554, an increase of $150,000 over the losses for 1924. All of this, with the exception of a few hundred dollars, was paid during the month of October or early in November. In addition to paying all losses and expenses, the association was able to add $400,000 to the claims reserve fund.

**Building Reserve Fund**

"The farmers of the province have not yet forgotten the disastrous hail season of 1916 when the hail insurance commission was faced with a loss of three and a half million dollars with only approximately a million and a half dollars to meet this loss. Since the re-organization of the system after that lesson was taken thoroughly to heart, we have been hoping to build up a reserve which would enable us to pay all losses in full, regardless of how widespread hail damage might be, and the present standing of our association is very satisfactory indeed.

Referring to the claims reserve fund, Mr. Hingley, secretary of the association, said that while this has now reached a respectable sum, it is by no means too large, as the insurance written by the association exceeds that of ten of the private companies doing the largest business in the province.

The objective of the association, according to the policy outlined by the board at several annual meetings, is to continue steadily building the reserve when favorable seasons permit until the fund reaches an amount equal to at least 10 per cent. of the previous year's risk.

"One storm on July 14 last year cost the association approximately $400,000, considerably more than half of the total hail losses for the year," said Mr. Hingley. "We hope that we may not have any such storms this year, but the average annual losses paid by our association from the year 1919 to 1925, inclusive, amount to $1,025,000, and there is a general feeling of satisfaction among those sharing the benefits of our system that it is being placed on such a stable position financially that no crop disaster can wipe out the sum our farmers are laying up for a 'haily' day."

### Guardian Assurance Co. Reports Better Year

**From Our Own Correspondent**

MONTREAL.—The annual report of the Guardian Assurance Company, which was presented to the shareholders at the annual meeting on June 1 in London, England, showed steady progress in all departments.

In the life department the company obtained £1,417,654 new insurance during the year, as compared with £1,246,751 in the preceding year. Premiums received during the year, after deducting re-insurances, amounted to £1,003,463, as against £921,811 in 1924. During the year the net losses in this department amounted to 39.2 per cent. of the premiums, which compares favorably with the net loss last year of 40.75 per cent.

The management expenses in the fire department during the year, plus the fire brigade charges and commission, amounted to 43.05 per cent. of the premiums; this compares with 43.4 per cent. last year.

The annual report also shows increased business in the accident, burglary, and general assurance departments, which received premiums, after deducting re-insurance, of £532,620, as against £514,078 last year. In this department, however, the percentage of losses showed an increase, as compared with 1924, amounting to 46.72 per cent. of the premiums, as against 41.38 per cent. in the previous year. In 1925 the premiums in the marine department amounted to £117,700, as compared with £135,263 in 1924, but claims paid last year, however, amounted to £20,141, as compared with £29,762 in the preceding year.

### Metropolitan Life Invests in Canada

The Canadian head office of the Metropolitan Life Insurance Co. announces the following recent investments made in Canada by the company: $100,000 city of Ottawa; $100,000 city of Montreal; $100,000 city of Westmount; $100,000 municipality of Point Grey, British Columbia. The total amount of investments made in Canada by the Metropolitan Life is now $126,800,919.

### Crown Life Jubilee Club Hold Convention

Delegates to the convention of the Crown Life Silver Jubilee Club, together with their ladies and members of the home office, left for the Royal Muskoka Hotel, where the four-day convention which opened in Toronto was continued.

At the open general meeting, Brenton S. Brown, of Vancouver, was unanimously elected president of the club, which consists of the leading producers amongst the Crown Life's large agency staff and numbers about sixty members. The club was formed in honor of the company's 25th anniversary.

General Manager H. R. Stephenson, who presided over the meeting in the absence through illness of President G. T. Somers, pointed out that the Crown Life had now a larger volume of business in force than any other Canadian company of the same age.

The delegates came from all parts of Canada, from the United States, Newfoundland and Cuba.

### Pool and Elevator Appointments Made

REGINA. — Appointments consequent upon the re-organization of the Saskatchewan wheat pool, Saskatchewan Pool Elevators, Limited, and Saskatchewan Co-operative Elevator Companies' executives were announced as follows:

Saskatchewan wheat pool, E. G. Hingley, secretary-manager of the Saskatchewan Municipal Hail Insurance Association, becomes manager; S. G. Lowthian, treasurer of the Saskatchewan Co-operative Elevator Company, takes over the treasurership of the wheat pool; George W. Robertson remains as secretary to the wheat pool and the pool elevators.

Saskatchewan Pool Elevators, Limited: Donald Macrae, joint manager of the wheat pool and pool elevators, becomes manager of the re-organized pool elevators; J. D. Read, treasurer of the wheat pool, takes over the treasurership of the pool elevators.

### General Accident Take Group Policy on Agents

The General Accident Assurance Company of Canada has just taken out a group policy covering the lives of their agents and employees, from the London Life Assurance Company. The policies range from $1,000 to $5,000. A small portion of the premiums is being paid by the men and the balance by the company.

### JOINS METROPOLITAN

President Rowe of the Metropolitan Casualty Insurance Co. has announced the appointment, effective July 1, 1926, of Ralph W. Smiley as director of publicity, to assume charge of advertising, publicity, sales promotion and other related activities. For the past eight years Mr. Smiley has been associated with the Aetna Affiliated Companies at their home office in Hartford.

## Sales of Life Insurance Have Set New High Record

### All Previous High Levels for New Business Broken With Production of $738,176,484

During the calendar year 1925, all previous records for new business in life insurance were broken by a total production of $738,176,484 as against $628,687,615 for the previous year. Of this total, group insurance accounted for $38,822,002 against $19,900,039 during the previous year. In 1920 the gross amount issued and paid for in cash totalled $641,778,095 of which $66,704,855 was on group plan. The total net amount of business in force at the end of the past calendar year was $4,158,737,967 in comparison with $3,763,996,472 at the end of the previous year. Of this total Canadian companies had $2,672,700,192; British companies had $108,572,851 and foreign companies were responsible for the balance of $1,377,464,924.

The volume of business which lapsed during the past year was $255,111,942 which was 31.6 per cent. of the gross new business written, as compared with $231,891,137 or 33 per cent. in 1924. The total amount surrendered was $90,929,162 or 11.3 per cent. of the gross new business written. Information on lapsed and surrendered business has been obtained by the Department from the companies. The figures supplied show that the great majority of the lapses occur on the first renewal date. This would indicate either a misunderstanding of the contract on the part of the insured, or that the amount of insurance applied for was in excess of the insured's capacity to carry. If the latter explanation is the true one, it is suggested that the remedy might be supplied by having the agent's initial commission depend, to some extent, at least, upon the collection of the second premium as well as the first. If the former, educational work among the field forces of the companies is probably the solution of the problem.

During the calendar year 1925 the assets of life companies were increased from $1,000,813,975 in 1924 to $1,102,102,962 last year. The details were:

| | 1925 | 1924 |
|---|---|---|
| Canadian companies | $833,548,522 | $748,801,686 |
| U. S. Companies | 219,229,107 | 204,939,546 |
| British Companies | 49,325,333 | 47,072,743 |
| | 1,102,102,962 | 1,000,813,975 |

Something of the progress of the year in relation to that of recent years is shown in the following statement of gross amounts of insurance effected in Canada during the past three years:

| | 1924 | 1925 |
|---|---|---|
| **Ordinary and Industrial** | | |
| Can. companies .. | $391,400,857 | $438,369,494 |
| British companies | 17,890,484 | 17,443,928 |
| For. companies .. | 199,496,235 | 243,541,060 |
| Total ..... .... | 608,787,576 | 699,354,482 |
| **Group Policies** | | |
| Canadian .. ............ | $484,427 | $697,188 |
| British ...... ......... | ........ | ........ |
| Foreign ... ............ | 603,811 | 651,608 |
| Total ....... ......... | $1,088,238 | $1,348,796 |

### A New Calendar

In the Nation's Business, George Eastman, of Kodak fame, has an article upon calendar reform. He urges the adoption of the "Cotsworth Calendar," which provides for a year of 13 months of 28 days each with two days over in leap year and one extra day in other years. These days are to be called "year days" and not made parts of any month.

Some of the advantages claimed for the plan are:

1. All months would have the same number of days (28), the number of working days, except for holidays, and the same number of Sundays.
2. All months would have exactly four weeks.
3. Each week-day would always occur on the same four fixed dates of the month.
4. Quarter-years and half-years would be of the same length.
5. The month would always end on Saturdays.
6. A holiday would always occur on the same week-day.
7. The date of Easter could be fixed.
8. Yearly calendars would not longer be necessary; one fixed monthly calendar would be sufficient.

These features would be of great benefit to business, accounting and statistical, for all months would be comparable without any adjustment. The month of exactly four weeks would obviate many of the adjustments now necessary between four and five-week months. The reckoning of the lapse of time for interest and other purposes would be simplified. Meeting dates could be set in advance without difficulty. All holidays could be placed on Monday with advantage to industry and workers. A fixed Easter would prevent undesirable fluctuation in certain industries.

As there would be thirteen monthly settlements during the year instead of twelve, there would be a faster turnover in money; the same annual volume of business could be handled with less money.

Any calendar change would cause a certain amount of inconvenience during the first year or two after its adoption. There would be difficulty in making comparisons between the months of the new calendar and the corresponding months of the old calendar. Adjustment tables, however, would considerably reduce the time necessary for making these computations. All anniversary dates, birthdays, and holidays would be changed.

But there would be little actual difficulty in determining these dates by adjustment tables and the legal difficulties, due to changes in maturity dates of leases, contracts, and mortgages, could be easily overcome by appropriate acts of the legislatures.

Therefore it is claimed "the inconveniences and difficulties which would be experienced during the first few years of the new calendar are comparatively slight compared with the many advantages which would be obtained in the business, social and religious worlds by the adoption of the proposed calendar."

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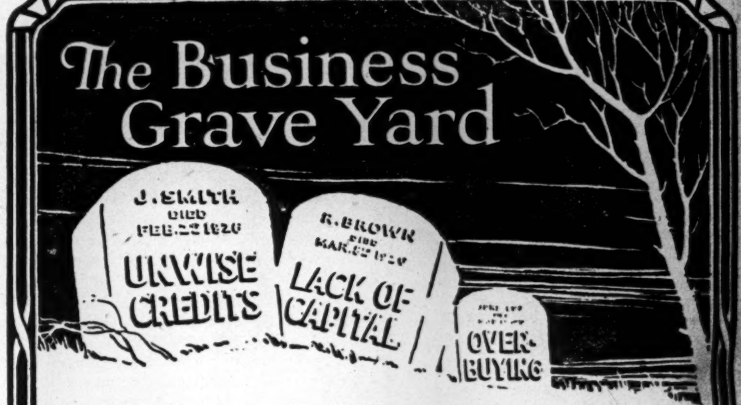

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The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.

Canadian Head Office
Ottawa, Canada.

Business Written in Canada in 1925....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925....... $125,150,919
Invested in Canadian Government and Municipal Bonds.. $ 88,743,283

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# Current Events in Banking World

## NEW YORK HOUSING LAW IS REGARDED AS VERY UNSOUND

### Business Interests See in it Financial and Political Dangers

NEW YORK.—New York leads the country with a state housing law which is sure to set the pace for other states. It will also give aid and comfort to the movement in Congress to create tax-free home loan banks similar to the subsidized Federal Land Banks.

Any governor who can appoint and control a state housing board can swing great political influence. With state aid he can build houses and gain the support of voters for whom the houses are erected and of millionaires to whom the tax-free bonds are sold.

Under the pretense of sanitary improvement, the property of enemies of the administration can be expropriated for sites for pubic tenement houses. Under the same power of eminent domain the friends of the administration can sell their undesirable real estate at prices above the marketable value. Any one familiar with New York politics or national politics knows that these will be the practical results of the poetic theories written into the law.

Even if it were possible to carry out the intent of the law, the general economic effect on taxpayers and property owners of a city would be bad.

**May be Used for Stores**

It will increase the taxes and reduce the value of other residential property and store buildings. The New York law permits the state to condemn sites where the state housing board desires to erect buildings. There is no limit on the height of the buildings. The first floor and basement may be used for business purposes. It was stated in the arguments before the legislature that the store rentals from the ground floor would yield a profit which would permit low residential rent on the rest of the building. It is expected by those who support the law that state built rooms can be rented at half of the prevailing rates.

**Exempt from Taxation**

Every cent. of the capital invested in the buildings will be free from local and Federal taxation and from state and national income tax. The buildings and the land on which they stand will be exempt from all property tax if those interested in the buildings as owners or occupants can use enough political influence to control the local taxing authorities.

**The Land Bank Precedent**

As to the constitutionality of the New York law, special counsel whose legal opinion was furnished to the New York authorities said:

"The United States Supreme Court having given judicial sanction to a scheme so far reaching as the law governing Federal farm loans and Federal land banks, having for their object the relief of the farmer, the courts will not, in my judgment, be disposed to invalidate an act of the legislature dealing, as it does, with relief to wage earners in congested centres."

If the opinion of counsel is sustained, the way is now open for the creation of innumerable mercantile companies, life insurance companies, fire insurance companies, banks and other business organizations. They may be subsidized by special privileges and made exempt from taxation in order that they may compete more successfully with privately owned lines of business which are subject to taxation.

## A Bank Manager is Author of "Plain Folks"

In Francis Cecil Whitehouse, manager of the Canadian Bank of Commerce at Nelson, is a banker who has turned author—among other things. His first novel, "Plain Folks," is a cross-section from life on the prairies in a period that has passed, but not so far passed but that it will have an intimate appeal for many thousands of westerners who will find in it the story of many of those they have known and perhaps something of their own experiences. If the chief figure of the book is almost too perfect to be true—or human—the author may be excused perhaps for thus elevating the local bank manager, for he himself has been a western bank manager for many years.

Mr. Whitehouse was born in Warwickshire, England, and had seven years banking experience before coming to Canada, since then he has put in twenty-three years on the prairies and in British Columbia. Those who read "Plain Folks" will not be surprised to learn that he is fond of hunting and fishing; he has had a dragonfly named after him by way of recognition of his services to natural science in classifying the many prairie varieties of this insect. He has written technically on various topics and lately he won the Wilkie scholarship for an essay on banking.

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

## How the Bank "Run" in Cuba Was Curbed

Miami's long-distance telephone equipment and operators played an important role in the quickly enacted play that averted a financial crisis in Cuba during the recent "run," an article in the Bel-Tel News, organ of the Southern Bell Telephone & Telegraph Co. explains.

A rumor was started in Havana that several of the banks were on the verge of failure, and the excitable Cubans started a "run" on several of the institutions.

"Havana calling Governor Wellborn," came over the cable from Havana to Miami on the morning of April 10.

"Governor Wellborn, of the Federal Reserve Bank of Atlanta," the Cuban operator continued, and the Miama operator cleared the wires into the Georgia capital.

Several minutes later a similar call was sent out from Atlanta. This time it was Governor Wellborn calling the Federal Reserve agent at Havana, and the Miami operator, if she had been listening, would have heard terms that would have astounded her.

Governor Wellborn in that conversation told Cuba that the necessary $50,000,000 needed to stop the "run" would be dispatched from Atlanta immediately.

The next morning a special train with $50,000,000 in cash left Atlanta under a strong guard. It passed through Jacksonville, Miama, and on to Key West without trainmen knowing of its cargo. At Key West it was transferred to a boat, and the boat, guarded by the battleship Cuba, the only boat of the Cuban navy, proceeded to Havana.

The announcement of the great cargo of money was heralded far and wide in Cuba, and this publicity had the desired effect. Not a cent of the money was used, but the "run" stopped immediately.

## Monthly Bank Clearings

**(In comparison with same month last year).**

EASTERN CITIES

| | June, 1925 | June, 1926 |
|---|---|---|
| Montreal | $379.018,987 | $465,322,592 |
| Toronto | 382,860,525 | 438,314,447 |
| Halifax | 11,750,839 | 12.308,917 |
| St. John | 11,590,253 | 12,132,775 |
| Moncton | 3.411,441 | 3,791,798 |
| Quebec | 24,064,424 | 26,521,780 |
| Sherbrooke | 3,408,732 | 3,708,128 |
| Ottawa | 28,519,167 | 29,979,294 |
| Kingston | 3,148,757 | 3.472,284 |
| Peterboro | 3,423,634 | 3,609,360 |
| Hamilton | 21,256,529 | 23.007,891 |
| Brantford | 4,369,998 | 4,879,247 |
| London | 12.754,998 | 13,330,182 |
| Kitchener | 4,494,749 | 4,571,769 |
| Windsor | 15,619,878 | 22,684,124 |
| Chatham | ........ | 3,198,559 |
| Total, East | 909,692,911 | 1,070,833,147 |

WESTERN CITIES

| | June, 1925 | June, 1926 |
|---|---|---|
| Fort William | 3.590,225 | 4,315,188 |
| Winnipeg | 172,404,747 | 218,695,033 |
| Brandon | 2,472,928 | 2,576,256 |
| Regina | 13,770,078 | 18,571,346 |
| Moose Jaw | 4,524,532 | 5.300,178 |
| Saskatoon | 6,336,446 | 7,953,873 |
| Lethbridge | 2,420,948 | 2,268,986 |
| Calgary | 25,428,832 | 27,324,112 |
| Edmonton | 18.722,450 | 20,032,485 |
| Medicine Hat | 1,154,998 | 1,205,298 |
| New Westminster | 2,833,199 | 2,422,298 |
| Vancouver | 64,195,550 | 73,493,217 |
| Victoria | 8,742,805 | 9.793,348 |
| Total, West | $326,597,738 | $392,951,618 |

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## FAILURES CAUSED BY FROZEN ASSETS

### Deflation in Values Caused Collapse of Farm Banks In North Dakota

MINNEAPOLIS. — The obvious cause of bank failures in North Dakota has been frozen assets, consisting of uncollectible loans and discounts, and the large amount tied up in banking house, furniture and fixtures, and other real estate, according to a statement by George A. Bangs, assistant attorney-general of the state.

"But these are merely the outward manifestations of the real trouble, and the question interesting us is, what were the causes which produced the accumulation of these frozen or unliquid assets in the banks during this period?

"I do not think that corrupt conduct or dishonesty played any material part in bringing about the catastrophe.

"It is true that the failure of some of the banks was hastened and, perhaps, actually caused, by embezzlements and dishonesty, but such instances were rare; though there were many laws subsequently violated in perhaps mistaken attempts to protect the depositors by keeping the banks from closing.

Beyond controversy, the chief cause was the deflation in values which began during the summer of 1920 and which within the next three years reduced such values at least 50 per cent., bringing financial distress to the agricultural interests and to all activities and businesses dependent thereon."

## Staff Gossip

George Dow, who for the past four and a half years has been an employee of the Bank of Nova Scotia here, is being transferred to the branch at Sussex, N.B.—News, New Glasgow.

* * *

A. Carnsew, of the Bank of Montreal staff, has been transferred to one of the Vancouver branches and has left for that city. Mr. Carnsew's place in the bank is being filled by Mr. Leigh of Vancouver.—Herald, Merritt.

* * *

A branch of the Standard Bank will be opened in Kitchener in September in the quarters formerly occupied by the Bank of Nova Scotia. All Canadian banks with the exception of two will have branches in this city after the opening of the new branch. — Record, Kitchener.

* * *

The local branch of the Canadian Bank of Commerce have made a few staff changes. F. A. Farrell, who has been acting as teller, has been transferred to the branch at Orangeville. H. T. Green, of Dundalk, who has been relieving at the local branch, will now be on the local staff. "Honey" Kuntz, who has been on the local staff for the past few weeks, has been transferred to Niagara Falls.—Banner, Listowel.

* * *

Following a practice established last year, managers of branches in the Kootenays of the Canadian Bank of Commerce, met here recently. Presiding at the convention was D. Hamilton, superintendent of branches of the bank on the Pacific coast. Object of the second annual meeting was a general comparing of notes and interchange of ideas relative to better service to the public and promotion of business interests throughout the district. In all six branches were represented at the meeting, delegates being F. C. Whitehouse, Nelson; J. McLennan, Trail; C. G. Bennett, Fernie; D. T. Scrimgeour, Creston; G. C. Saunders, Kimberley; J. H. McQuaid, Cranbrook. — Courier, Cranbrook.

## Col. Rowley as Champion Of Western Development

VANCOUVER.—C. W. Rowley, assistant general manager of the Bank of Commerce, who has recently been inspecting branches on the Pacific coast, is regarded by the Vancouver Province as one of the most active and consistent champions of the West in the Canadian financial world, to whose aid and foresight the success of many western industries can be laid. He was one of the pioneer advocates of the western route for grain and, in fact, was the first actual mover in the matter. In 1907 he was responsible for the calling of the first Alberta-British Columbia conference at Calgary to endeavor to open the western gateway to the grain of the prairies, and he expressed to-day his deep satisfaction at the proof of his early convictions.

When Col. Rowley and other western men initiated the A.-B. C. route they shipped three cargoes of grain from Vancouver, one via Suez, one to Mexico and across the Tehuanatepec Railway to tidewater and thence to England, and a third from Fort William. There was a half-cent difference in the results when the grain was sold, proving at that early date, and under adverse pioneer conditions that the early western route was feasible and would be eminently practical when the canal opened.

## Plenty of Money in the German Markets

BERLIN.—Bourse circles are discussing the sudden interest which large German banks are taking in the flotation of the bonds of the newly organized Westphalian Steel trust. Current reports indicate that a heavy percentage, if not at least one-half of the proposed issue, will be absorbed by German money markets.

## Weekly Bank Clearings

**(In comparison with the same week last year)**

EASTERN CITIES

| | July 2 1925 | June 30 1926 |
|---|---|---|
| Halifax | $2,586,055 | $2,247,181 |
| St. John | 2,043,942 | ......... |
| Moncton | 695,081 | ....... |
| Quebec | 5,745,664 | 6,195.956 |
| Sherbrooke | 699,862 | 737,277 |
| Montreal | 92,928,607 | 90,510,618 |
| Ottawa | 4,997,763 | 4,601,037 |
| Kingston | 658,655 | 682.226 |
| Peterboro | 658,815 | 668,951 |
| Toronto | 77,500,456 | 74,114,168 |
| Hamilton | 4,323,392 | 4,197,660 |
| Brantford | 665,131 | 830,716 |
| Chatham | ....... | 559,664 |
| London | 2.597,907 | 1,972,432 |
| Windsor | 3,152,583 | 4,093,141 |
| Kitchener | 1,006,931 | 700,945 |
| Sarnia | ....... | 438,235 |

WESTERN CITIES

| | July 2 1925 | June 30 1926 |
|---|---|---|
| Ft. William | 691,914 | ....... |
| Winnipeg | 39,226,239 | 37,775.171 |
| Regina | 3,009.868 | 3,466,010 |
| Brandon | 569,914 | 484,068 |
| Moose Jaw | 1,014,763 | 1,020,021 |
| Saskatoon | 1,263,924 | 1,407,781 |
| Pr. Albert | 263,068 | ....... |
| Lethbridge | 595,567 | 378,072 |
| Calgary | 5.544,118 | 5,667,079 |
| Edmonton | 3,791,201 | 3,464,398 |
| Medicine Hat | 225,469 | 214,996 |
| New Westminster | 603,825 | 692,299 |
| Vancouver | 13,795,747 | 12,444,161 |
| Victoria | 1,907,401 | ......... |

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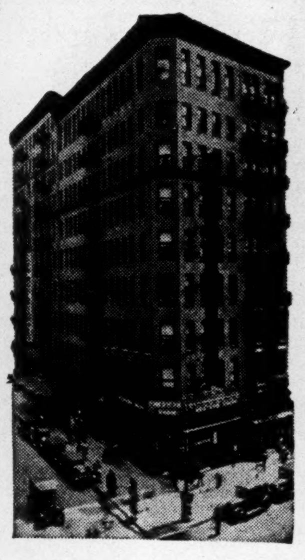

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# COMBINE INQUIRY INTO WHOLESALE GROCERY TRADE

## May Follow Attempt to Cut Off the Desk Jobbers

IT IS possible, even probable, that the wholesale grocery trade will be investigated under the Combines Investigation Act through the Department of Labor at Ottawa. Canadian Grocer understands on good authority that some probing work is now going on in Toronto along Front Street and vicinity with a view to securing information following a petition to the minister of labor at Ottawa asking that certain wholesalers in Ontario and their relations with manufacturers of some lines of food products be investigated. The investigation would be along the line of that urged by the W. E. Sutton Co., as outlined in the June 4 issue of Canadian Grocer. Mr. Sutton complained that there was a conspiracy among certain manufacturers and wholesalers to put his firm out of business, that the wholesalers had brought pressure to bear on the manufacturers to cut him off their list of customers. The fact that some manufacturers have been cutting of what they term "desk jobbers" was outlined in Canadian Grocer two or three months ago.

Mr. Sutton approached the attorney-general of Ontario, Hon. W. F. Nickle, but Mr. Nickle declined to investigate the matter, according to Canadian Grocer's information, at least at present. It is stated that Mr. Sutton was urged to proceed in the usual way and bring up the case under the Combines Investigation Act—providing he thought he had a good case.

Since then, others—or at least one other in addition to Mr. Sutton—have become interested, and the information is that a petition was sent some days ago to the minister of labor. The next chapter is to have the registrar under the Combines Investigation Act go into the situation as far as possible and submit his decision to the minister of labor. Under the act he has the privilege, if he sees fit, to urge an investigation. Or he may consider that the applicants—and there must be six of these and all British subjects—have no case. In such an event, he would so advise the minister and there would not likely be any further proceedings.

F. A. McGregor, the registrar, has been in Toronto, and the supposition is that some of the points in connection with the conspiracy charges laid are now being investigated. Mr. Sutton has openly complained that the wholesale house that has been urging most strongly on certain manufacturers the cutting off of the "desk jobber" was the National Grocers Company Ltd., and he blames them especially for the present situation, and it is understood that the work of investigation is including them as well as others.

Wholesalers will undoubtedly contend in any investigation, that they merely requested certain manufacturers to cut off the so-called "desk jobber" and that it was up to the manufacturer to determine his own course and set his own policy. The wholesalers' reasons for this request have already been dealt with in Canadian Grocer.

Manufacturers who have eliminated this type of distributor will contend they have the right to select their customers for any reason whatever.

If the registrar advises in favor of the alleged conspiracy being investigated, it can, under the act, come before either the solicitor-general of the Dominion or the attorney-general of the province.

# The Foreign Exchanges

**Conducted by S. J ZACKS**

Interest in the foreign exchange remained dull over the holidays and few new developments are to be noted.

U. S. funds are quoted at 7/64 discount, and at present it does not seem likely that the discount will lessen, due to the fact that the large seasonal tourist traffic into Canada will bring plenty of American money into the country.

Sterling was somewhat easier, softening from 4.86¾ last week to 4.86-13/32 to-day. For some time after the strike the reduction in England's purchases from foreigners resulted in a weakened demand for foreign commercial bills, and this factor kept sterling up. Added to this has been the policy of hand-to-mouth buying among the Lancashire merchants of American cotton, similarly lessening the demand for U. S. funds. But recent purchases of coal from the U. S. and the continent, and increased imports of steel and iron products for industrial purposes, has been the excuse for sterling selling off to a small extent.

Attention in monetary circles is still mainly directed to the franc. Its gradual, steady decline, which touched a low of 2.59 yesterday, has turned many studious eyes towards Caillaux. There is no doubt now that whatever policy France finally adopts, the essential need at the present is for strong, almost dictatorial leadership. Balancing of the budget and stabilization of the currency rest first and foremost upon the creation of foreign credits. This involves a debt settlement, and Caillaux insists that any scheme, before it can hope to be successful, must be anteceded by the acceptance of the debt arrangements made with England and U. S. Once it is definitely known how much will be paid to her creditors, foreign credits may be possible, and the establishment of these would probably be sufficient to permit of a currency stabilization scheme assuming the aspect of success. The plan of the new finance minister includes an increase in custom duties. This will restrict foreign imports and lessen the demand in France for the money of other countries. A further effect will be an increased production in French industry, larger sales abroad, and keener demand for French money. Slashing economies all down the line are additional elements in Caillaux's policy.

The complications of the political situation make it doubtful if these measures will become law. A great deal depends upon Caillaux's strength in overcoming socialist resistance. The plan now formulated is probably not the only way out; but some plan there must be, and his is good, and can be carried through only by a show of strength which no previous finance minister has displayed. It is difficult to see who can succeed if Caillaux fails. Certainly a great deal of the future rests with him.

The milreis remained firm, closing at 15.80. There was little change in the Japanese currency, although the market has shown some buoyancy as a result of the prevailing belief that the Japanese government is set on bringing the yen back to par. Present quotations are 46.90, which still requires a great deal of adjustment before par of 49.84 can be reached.

### NEW YORK FUNDS

| | High | Low | Last Year High | Last Year Low |
|---|---|---|---|---|
| June 30 | 7-64 | 11-64 | 1-32 | 1-32 |
| July 1 | .... | ..... | .... | .... |
| July 2 | 1-8 | 9-64 | 1-64 | 1-32 |
| July 3 | 1-8 | 1-8 | 1-32 | 1-32 |
| July 5 | 3-32 | 1-8 | 1-32 | 1-32 |
| July 6 | 3-32 | 7-64 | 1-32 | 1-32 |
| July 7 | 7-64 | 7-64 | 1-32 | 1-31 |

### STERLING, FRANCS AND LIRE

| | Sterling Close | Francs Close | Lire Close |
|---|---|---|---|
| June 30 | 4.86 3/16 | 2.78 | 3.66¾ |
| July 1 | 4.86⅛ | 2.67¾ | 3.56¾ |
| July 2 | 4.86⅛ | 2.65 | 3.48¾ |
| July 3 | 4.86⅛ | 2.70½ | 3.50¾ |
| July 5 | 4.86⅛ | 2.70½ | 3.50¾ |
| July 6 | 4.86 1/16 | 2.73½ | 3.45¼ |
| July 7 | 4.86 1/16 | 2.59½ | 3.33 |

### FOREIGN EXCHANGE

| Par | | Close June 29 | Close July 7 |
|---|---|---|---|
| 19.30 | Italian | 3.62 | 3.33¾ |
| 23.82 | German | 23.79 | 23.78 |
| 32.45 | Brazil | 15.78 | 15.78 |
| 19.30 | Belgium | 2.84 | 2.51 |
| 94.85 | Japan | 46.84 | 46.84 |

# Direct Sales to Consumer Lower Distribution Costs

## Parcel Post and Motor Truck Make Policy More Feasible —House-to-House Canvass Grows

One of the outstanding methods adopted by manufacturers to deal with the problem of high distribution costs is the "direct to the consumer" sales policy. Manufactured products are placed in the homes of consumers without the intervention of the jobber or the retailer. This type of business is not confined to the mail order houses. A large number of firms manufacture on their own account and market their goods by a house-to-house canvass. The effect of such methods may be seen in the following statement from the National Distribution Conference recently held in Washington: "Wholesalers are not being eliminated, but their volume of business has not been increasing so rapidly as the total volume of business in the country." This is due especially to the increasing amount of business done direct from manufacturer to large retail units. Direct distribution from manuafcturer to consumer is also a matter of importance.

Parcel post service has been an important factor in the growth of direct distribution, as reflected in the large amount of c.o.d. mail. While figures for the growth in Canada are not at hand, it is interesting to study the growth in the United States. In 1915 there were 4,721,000 pieces; in 1920 there were 20,098,000. In 1925 the figure was close to 55,000,000. Houses distributing their goods by mail in the United States now account for about four per cent. of the country's business. Since this is adapted mainly to household products, the importance of this type of business is larger than at first appears.

An analysis of the records of five leading companies which market their products by the house-to-house method shows that the volume of sales of these companies increased on an average of 72 per cent. during the three years from 1922 to 1925. Facilities for distribution employed by them include delivery wagons, freight and express, as well as parcel post. Articles which are being successfully marketed through this house-to-house method include: aluminum ware, books, brushes, hosiery, hot water bottles and other household rubber goods, magazines, sewing machines, soap, tea, vacuum cleaners, etc. In parts of the country there are also deliveries of many other classes of food products.

There are two factors in favor of the direct distribution, especially when carried on by the aid of the house-to-house solicitation as opposed to distribution through the usual channels. The element of economy is primary. The report of the National Distribution Conference quoted above states:

> "Mail order houses manufacturing on their own account represent the most direct possible form of marketing from producer to consumer. The mail order house enjoys more economies as compared with distribution through the wholesaler and retailer. It is able to reach the consumer, even after freight and express has been paid, at a low price." The element of economy likewise enters in direct distribution by companies which are not strictly mail-order houses, but which distribute their products into the house with the aid of house-to-house canvassing.

The other factor which is of considerable weight in promoting direct distribution, is the fact that stores which operate under this method are prepared to sell service as well as goods. The specialty salesman who meets his customers in the home is able to extend a type of service and purchasing assistance not always possible in the ordinary channels of distribution. The experience of those houses which have specialized in this type of business shows the importance of specialized service rendered by them. It is stated by them that this service is instrumental in securing repeat orders and in making customers permanent. One of the most important factors in building up the direct system of distribution is the growth of national advertising. Customers are likely to prefer goods with which they are already familiar, and the services of salesmen are more readily secured by companies with a national reputation.

The motor truck is another ally of direct distribution. Many manufacturers are using the motor truck to deliver products direct to consumers and are thus reducing the time between production and consumption, lowering the volume of stocks and cuttting down insurance and interest changes. All this is a big factor in costs, and the business that can produce and distribute at lowest cost is the business which will succeed.

# The Investment History of the C.P.R.

## Company Has Surplus of $275,000,000 — Only Mortgage on Line is for but $3,650,000

By RIELLE THOMSON, (Tenth Article)

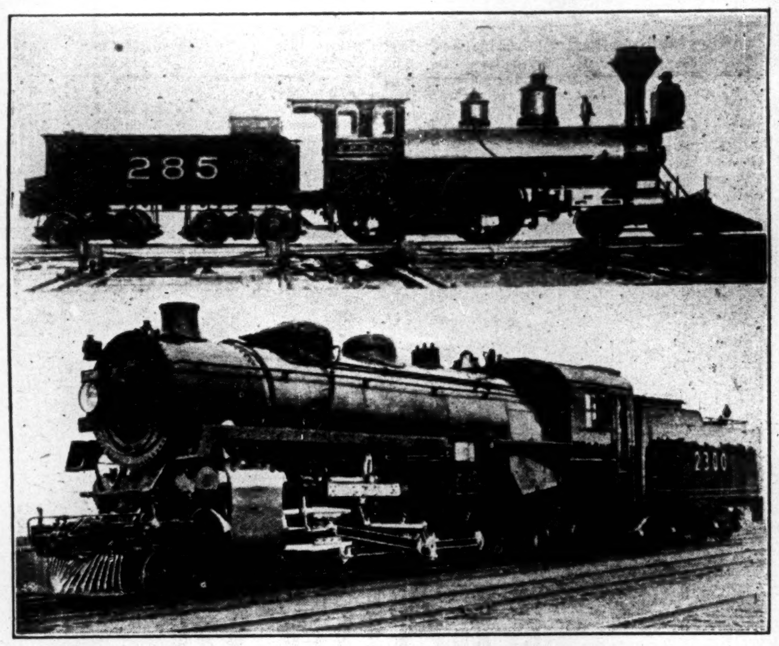
THE total capitalization of the C. P. R. amounts to $669,085,118; this is sub-divided, in order of seniority, into first mortgage bonds, notes, collateral bonds, consolidated debenture stock, preference stock and ordinary stock. The only mortgage on the company's property consists of $3,650,000 and that, with the exception of $29,041,646 notes outstanding, the remainder of the capitalization represents the ownership of the property.

The ten year collateral trust bonds are secured by $15,000,000 of 4 per cent. consolidated debenture stock. The interest on the latter meets the interest charges on the collateral bond issue and it is this debenture stock which is the sole security for the bonds. At the time this last issue was made, the company, instead of selling $12,000,000 in bonds, could have sold $15,000,000 of its consolidated debenture stock, but at that time interest rates were high and the road did not care to dispose of its debenture stock at the prevailing market price for 4 per cent. issues at that time. Therefore, it issued the 5 per cent. bonds, which were secured by the issue of consolidated debenture stock.

### Consolidated Debenture Stock

Like the ordinary shares and the preference shares, the debenture stock represents a part ownership in the road. It has no maturity date and by statute it is issued in perpetuity; by law, also, it is prior to the preference and common stock and, in the fixed charges shown at $14,438,517 for last year, the debenture stock dividends of $10,569,795 are also included.

## Yesterday and To-day on C.P.R.



C.P.R. builds many of its own locomotives. Upper photograph shows the first locomotive built by the company, and lower photograph shows the type of powerful locomotive used to-day.

From the foregoing, it can be seen, therefore, that the company is in a particularly happy position, in that it has practically no high annual bond interest charges to meet.

### The Equipment Obligations

The C.P.R. also has equipment obligations totalling $8,850,000. This item might quite properly be included in the capitalization, for it represents a mortgage on some of the company's rolling stock. Instead of financing the purchase of rolling stock through a stock or bond issue, the company prefers to make some of its purchases in this way because thus it is not necessary to go to the expense of mortgaging the whole road or any section of the right-of-way—a costly process. Again, by mortgaging the equipment only, the company's financial position is the stronger.

These are some of the reasons why the C.P.R. prefers to finance its purchases of rolling stock by equipment bonds, but viewed from the other angle, that of the holder of equipment obligations, is the security behind such a mortgage equal to that of a mortgage on the road itself?

Equipment obligations are just as good a purchase for the investor as they are a sale for the road. For behind such issues there is an asset which can be moved to any place in America and then sold; equipment obligations mature serially and usually extend over but a few years. Thus the railway may sell these securities at a low rate of interest—just as low as if the mortgage were on the road itself.

The C.P.R. is constantly reducing the outstanding amount of these equipment obligations.

Then there is a reserve of some $44,000,000, which is a reserve which may be used for various replacements and various contingencies.

Another reserve of $41,502,075 simply represents the difference between the par value and the price which the company marketed a block of ordinary stock.

The net proceeds of the sale of lands and town sites, standing in the balance sheet at $75,397,641, is a little misleading, for from time to time the company has written large sums off this account and, at the same time, written a corresponding amount off its fixed assets. Surplus revenue from operations is simply earnings which have been turned back into the company. The amount of over $120,000,000 in surplus and other assets simply means that the company's assets have shown this growth and there has been no corresponding increase amongst the liabilities.

The most outstanding and significant feature of the company's balance sheet is the fact that with total assets of $1,113,000,000, the company has a surplus of almost $275,000,000 owned by shareholders over and above the par value of their securities.

### U.S. and Canada's Gold Production Compared

U. S. gold production, 1925, $49,860,200, a drop of $2,416,800 compared with 1924.

Canada's 1925 gold production was $35,976,970, an increase of $4,400,000 over 1924.

## St. Lawrence Flour Head Sends Circular Letter

The president of St. Lawrence Flour Mills, Limited, General A. E. Labelle, has sent the following letter to the shareholders of the company:

"It has come to our notice that some one who alleged he is acting for a group of our shareholders is appealing for proxies through the press and personal letter to holders of our preferred and common stock for the period of one year. The statements made in these notices are inaccurate.

"Since the passing of the common dividend the directors have declined to accept any remuneration for their services. We might add that allowance has been made yearly for depreciation in our books, but it was at the request of the income tax authorities that we inserted the total in our last statement. This, however, is simply a bookkeeping entry and in no way affects the assets of the company.

"It goes without saying that any serious proposal received by the board of directors, who are acting at all times in the interest of the shareholders, would naturally be submitted to them. Up to the time of writing, however, no concrete offer has been received.

"While we do not wish in any way to dictate to our shareholders we would respectfully suggest that you defer binding yourself and retain your liberty of action.

"The board of directors is willing at all times to give information to any shareholders as in the past."

## NOVA SCOTIA STEEL & COAL COMPANY, LIMITED

### DEBENTURE STOCK

A Committee consisting of the undersigned have agreed to act for the protection of the Debenture Holders of the Nova Scotia Steel & Coal Company, Limited, and will shortly invite them to deposit their Debentures with a Trustee for their mutual protection. The Committee will also issue a circular and suggest that it is desirable in the interests of the Debenture Holders that they do not dispose of their Debentures in any way until the circular is published.

I. W. KILLAM,
O. E. SMITH,
G. McG. MITCHELL,
W. D. ROSS,
D. C. SINCLAIR,
E. G. HANSON.

## MANUFACTURERS FINANCE CORPORATION LIMITED

### DIVIDEND No. 8

Notice is hereby given that a dividend of 4 per cent. (being at the rate of 8 per cent. per annum) upon paid up Preference shares of this Corporation has been declared for the half year ending June 30, 1926. Payable on the 15th day of August, 1926, to shareholders of record June 30, 1926.

By order of the Board.
W. M. McDONALD,
Secretary-Treasurer.

Toronto, July 6, 1926.

## Town of Kenora, Ont.

### Tenders for Debentures

Sealed Tenders addressed to the undersigned and marked "Tenders for Debentures" will be received up to noon Saturday, July 24th, 1926, for the purchase of the following debenture issues of the Town of Kenora:

By-law No. 895—$12,687.61—5½%, Sinking Fund Consolidated Debt Debentures, dated July 1st, 1925; due Dec. 31st, 1953.

By-law No. 903—$16,636.81—5%, Sinking Fund Consolidated Debt Debentures, dated July 1st, 1926; due Dec. 31st, 1953.

The Municipality reserve the right to reject any or all tenders.

Full particulars will be supplied upon application.

F. J. HOOPER,
Treasurer.

## CHRISTIE, BROWN & Company, Limited

### DIVIDEND NO. 5.

A quarterly dividend of one and three-quarters per cent. was duly declared on the Preference Stock of this Company, payable to shareholders of record at the close of business, July 20th, 1926.

A dividend of thirty cents per share was also declared on the Common Stock of this Company, payable to shareholders of record at the close of business, July 15th, 1926.

Both dividends payable August 1st, 1926.

C. E. EDMONDS, Secretary.
Toronto, Ont., July 6th, 1926.

## MONTREAL TRAMWAYS COMPANY

### DIVIDEND NOTICE

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share for the quarter ending June 30th, 1926, has been declared upon the paid-up Capital Stock of the Company, to Shareholders of record on Wednesday, June 30th, 1926, at 4 o'clock p.m., payable on Thursday, the 15th day of July, 1926.

By Order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.

May 31st, 1926.

Oils

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F. R. GRAHAM & Co.
MEMBERS TORONTO STOCK EXCHANGE
293 BAY ST. ~ TORONTO 2

## Dominion Textile Company Limited

### NOTICE OF DIVIDEND

A Dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending June 30th, 1926, payable July 15th, to shareholders of record 30th June.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, June 2nd, 1926.

## Abitibi Power & Paper Company Limited

### Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar ($1.00) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of July, 1926, to shareholders of record at the close of business the 10th day of July, 1926.

By Order of the Board.
W. H. SMITH,
Secretary-Treasurer.

## Howard Smith Paper Mills Limited

### DIVIDEND NOTICE on PREFERRED STOCK

Notice is hereby given that a Dividend of 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 30th day of June, 1926, payable on the 12th day of July, 1926, to Shareholders of record at the close of business on the 30th day of June, 1926.

By Order of the Board,
E. HOWARD SMITH, Jr.,
Secretary.

Montreal, June 28, 1926.

HIGH GRADE EXECUTIVE

Executive with wide and practical knowledge of Administration, Merchandising, General and Cost Accounting, available shortly.

Is especially qualified to fill position of Comptroller of large Merchandising concern. Successful record in reorganization work.

Primarily interested in finding a real job offering a future.

Credentials of a high order.

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WANTED

General Manager and Sales Executive for company manufacturing Electric Storage Batteries in Canada. Sales organizing ability most essential, also some knowledge of financing. Must be able to establish a live selling policy and organize selling staff, etc. Applications should state age, previous experience, salary expected, and be accompanied, if possible, by photo.

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Bank & Queen Sts.,
Ottawa, Ontario

WANTED
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Small City Daily
A
General Publication
A
Business Paper
or
A Group of Publications
By a Responsible Party.
Correspondence Will Be Treated as Strictly Confidential.

Box 216, FINANCIAL POST,
Toronto, Ont.

## Nova Scotia Steel & Coal Co. Ltd.

*First 5s, due July 1, 1959*

*At the request of a number of interested bondholders and in view of the default in interest payment due July 1st, 1926, holders of the above issue are asked to communicate with the undersigned for the purpose of protecting their interests. Kindly state amount of bonds owned.*

*F. J. LISMAN & COMPANY*
*20 Exchange Place* *New York*

IF

YOU HAVE A PUBLISHING PROPERTY WHICH YOU WOULD SELL TO A RELIABLE PARTY AND WILL SEND FULL PARTICULARS IT WOULD BE TREATED AS STRICTLY CONFIDENTIAL.

Box 218
FINANCIAL POST
Toronto, Ont.

# BOOM CONDITIONS IN LAND VALUES COMING IN WEST

## Sound Aggressive Optimism Built on Basis of Coming Crop

## VALUES NOT INFLATED

### Demand Expands For Farm Equipment and Many Lines of Manufactured Goods From East

With current indications of one of the largest crops ever harvested in the West, business from coast to coast is discounting such a possibility in tangible form. Eastern equipment companies and many lines of manufacturing are reaping the benefit in increased orders. Wholesale houses are preparing to take advantage of larger business. In the West, what may develop into a mild land boom is under way. An aggressive, yet sound program of expansion accompanies the increasingly optimistic outlook which current conditions and prospects have engendered.

The three prairie provinces comprise a land area valued at approximately $1,815,508,000. The value of this land has increased by $56,619,000 during the past five years, according to Dominion Government estimate. This is due partly to the breaking of new land, and partly to the normal appreciation in land values. The occurrence of so great a rise during a period of debt liquidation such as that through which the West has been passing, justifies the expectation of a much greater appreciation in values in the next three or four years. Farm land on the Canadian prairies to-day is ridiculously low priced in comparison with similarly situated land across the international border, and it is yearly becoming relatively more productive. This has led to a movement of population from the Western States into Canada. Such a movement, along with migration from the East is creating a keen demand for western land. Values of well-situated land have begun to react accordingly, and large numbers of the more progressive farmers already settled in the prairie provinces are themselves taking on additional land. There is no repetition, however, of the conditions which existed in the United States in 1920. At that time fictitious land values were created by the large scale purchase of farm properties at high prices, and it was later found that the investment had not been justified by returns. The present situation is inherently sound.

### Eastern Producers Benefit

*All* this is reflected in increased demand for machinery, equipment, automobiles and many other products principally of the East. Manufacturers of farm implements state that their volume of sales and orders is on a much larger scale than for some years. A leading manufacturer of grain scales stated to The Financial Post this week that the firm had recently received a large order for additional scales to be used in grain elevators in the West. This, incidentally, reflects the belief of elevator interests that a huge crop will be marketed. Sales of motor cars have speeded up sharply. Last year there were 184,676 automobiles registered in the three prairie provinces. Indications so far this year suggest a total of at least 225,000 for 1926. In many instances cash is being paid for these, but in the majority of cases they are being purchased on the instalment basis. The enlarged demand for building hardware has already been referred to in these columns due to the fact that building in Western Canada has more than doubled in comparison with last year's record.

Along with the bettering outlook and improving conditions there is a gradual improvement in the standard of living in the West. Wages have been tending upward in almost all industries. In the manufacturing industries alone in the West approximately $50,000,000 is distributed annually, the total having increased materially during the past year or two. There is practically no unemployment. The Dominion Bureau of Statistics index of employment now stands at 103.5 as against 92.5 a month ago. This is considerably greater than the improvement registered in any other part of Canada, and indicates that there are 3.5 per cent. more men employed than in January, 1920, which was considered a normal period.

The wheat markets at Winnipeg and Chicago seem to anticipate favorable prices for grain for some months to come. A current price of $1.55 for No. 1 Northern cash wheat compares with the average of $1.62 for the month of July last year, and the future quotations are relatively high despite the promised bumper crop. It is true that many things may yet happen to the crop before it is reaped, but if present hopes are borne out the West will be in a highly prosperous condition and the country as a whole will benefit accordingly.

### Growth in Use of Auto Is Still Being Continued

WASHINGTON.—The automobile has invaded every nook and corner of the globe, and in such quantity that an owner is to be found for every seventy-first person. On the basis of 1,748,000,000 world population for 1925, this means that more than twenty-four million persons are automobile owners.

These figures announced to-day by the commerce department revealed also that the United States has the greatest number of automobiles and the highest ratio of such vehicles to population, with one to every six persons. Hawaii has one to every eleven, and Canada one to thirteen.

# THE NATION'S BUSINESS

(Continued from page 1)

of tax reduction program will be promised.

On the tariff issue, the Conservatives are taking the bull by the horns and are making higher tariff unequivocally their policy. They hope to find it a more popular policy in some parts of Canada than it was a year ago and there seems no doubt that the west, in spots, is studying the question of a stronger industrial Canada more than ever before while in the Maritimes the clouds of uncertainty, obscuring the future of the great Nova Scotia steel and coal industry, have started more real thinking on the tariff than the question has had in the past few years.

* * *

THE Liberals will have a second line of defence if their front line policy of constitutional relations proves ineffective in arousing public interest. They will put it up to the electors to send them into power on their record. Penny postage, lower cost automobiles and reduced income taxes will be the big-talking points. Considering the somewhat heavy nature of the more technical and juridicial first plank that they are now emphasizing, the question of the government's record is likely to be their real platform before the campaign is much older.

So that is the plan of battle; the Tories promising honest administration, economy in government and higher tariff; the Grits saying, "We cut your postage; saved you money on your motor cars; and reduced your income tax." And throughout it all, a lot of unpleasant feeling about the customs exposures with each side pointing the finger.

* * *

THE discussion on the technical action of the Governor-General in refusing dissolution to one prime minister who had just been defeated, and calling on the man who had the largest party in the house to ask him to endeavor to form a government is regarded as being of far-reaching and serious importance by politicians, lawyers and other experts, editors and even the headmaster of a great public school. It is being discussed by these classes in every section of the empire. When great constitutional lawyers throughout the empire express opposite views, a great soldier and perhaps the most beloved governor-general Canada has ever had cannot be blamed if he took a common sense view. Soldiers, business men and financiers do not understand technicalities of this sort. They are dealers in action, not time-wasting arguments. Business men see in this situation another practical example of how badly we are governed, which has been emphasized in an excellent editorial in the leading Liberal organ, The Globe—a paper that has greatly improved under its new editor, H. W. Anderson.

* * *

THE Progressives have been a great disappointment. Nominally they represent the rural as opposed to big city and town interests. As a matter of fact, unprejudiced Conservative and Liberal town voters, disgusted with conditions in their respective parties, had a lot of sympathy for and expected decent leadership from the third party—a leadership which would result in a clean-up in the two old parties. This has been the experience in other countries. The U. S. Progressives made over the Republican party and to-day that country has the soundest, most constructive Cabinet in the world. In Germany, before the war, the Socialists, wisely led, were steadily increasing their support from the well-to-do and industrial classes.

The Progressives had their great opportunity at Ottawa and they missed it. During the election and subsequently, almost to a man and woman, they expressed lack of confidence, even disgust, with the leadership of Mr. King. When they heard him condone the most disgraceful scandal that has happened in Canadian public life, they had a chance of doing a great public service by telling the Liberal leaders that they could no longer support King but were quite willing to support a party led by one of its great, clean men of good outstanding ability, like Mr. Robb, for example. They fell down. Had they done so they would have carried the great men of independent Conservative opinion back of them.

* * *

ALTHOUGH there is no outward hint, it seems pretty definite that the question of re-organization is an important one in the inner circles of the party and the days of King's leadership of the great reform group in Parliament are said to be numbered. But the spirited defence of King, even by men who are known to have been personally opposed to his leadership, would seem to indicate that King will lead the Liberals through the present fray and that the campaign will show no outward sign of conflict within. King's position is not too comfortable, with some of his strongest men against him. But a change of leaders, with a shift to men more capable of carrying out the traditionally sound and forward looking policies of the party, is to be expected shortly after the election, and very shortly after if the Liberals should fail to come back into power.

* * *

CABLES indicate that a great corps of experts, theorists and idealists will gather to assist the discussions at the coming Imperial Conference in London. Hence it looks as if the conference would make little progress. If the Empire is to hold, it will be held as the United States of of America and the United States of Germany have held and were built up—by trade agreements. A few successful men with general knowledge of trade conditions, sitting around a table in London, could, in one week, evolve and start into action a greater increase in Imperial trade and Imperial unity than an army of experts could develop in a generation. No such corps of experts ever assembled in the history of the world as gathered at Versailles. That experience is a lesson.

* * *

THERE is talk of abandoning the Imperial Conference to be held in October because the Canadian politicians and the army of party hacks and other so-called experts who consider themselves necessary scenery for such gatherings, will be unable to be present because of the elections. We wish we could get it into the minds of these men that the Imperial Conference is, or at any rate should be, for deciding how Empire trade can be developed; first, by free trade within the Empire, and, where that is not possible, by preferences to begin with, just as the United States of America and the German Empire were developed into great prosperous nations by the wider markets this unity brought about. The big problem in the world's business to-day is selling—how to sell the products of each part of the Empire. We have pretty well mastered the production problems, but other nations are beating us badly in salesmanship. Only a short time ago a British ambassador was explaining how the Americans had secured some big contracts. "I am a diplomat, not a salesman," said the British Ambassador; to which the American replied, "I know nothing of what you call diplomacy. I am simply a glorified salesman for the United States products."

Canada has now in London one of the best salesmen the Empire has produced, in our Trade Commissioner, Hon. P. C. Larkin. It is true he is a Liberal, and a red hot one at that, but sound Canadian business will back him in preference to any of the professional politicians and experts with their theories and ideals who usually assemble in London, talk much and do nothing. If Mr. Meighen would nominate a couple of other sound men to join Larkin to represent Canada, and tell Baldwin to bring on his conference, asking other sections of the Empire to send equally good men, we could get very profitable results.

* * *

HON. "BOB" ROGERS, who seems to be regaining much of his former influence in Tory politics is no second-rate political tactician. He promises 25 Conservative seats in Quebec, although down in his heart he must know that the Conservatives will have to work wonders to win half that many. That there will be Conservative gains in Quebec seems a strong possibility, but even leading Conservatives, in private conversation, are exceedingly modest in their expectations, looking for not more than 7 or 8 seats.

Rogers is going to be a problem for the Tories. He is too strong to be overlooked and yet many of the party are not ready to be linked with him too closely.

* * *

CONSERVATIVES expect to retain the added strength of Boutillier, Campbell and other bolters from the Progressive party. While indicating some show of independence, these men are expected to be, to all intents and purposes, Tories, if returned. In fact, all Alberta seems to be showing defection in Federal politics from the Progressive movement and a tendency to line up behind two rather than three parties.

* * *

RUMORS that R. S. White would retire were based upon guesses only. The veteran ex-editor of the Montreal Gazette, who was elected as a Conservative, on Montreal Island, and with a large majority, will be back again and is likely to repeat his previous performance. He proved a real acquisition to the House—witty, sound, genial and broad. But withal he is a shrewd political strategist.

### Seven-Year Term Passed On Hearst at Winnipeg

WINNIPEG.—Seven years in Stonewall penitentiary was the sentence given Joe Hearst by Mr. Justice Macdonald. Hearst was very pale and was trembling as he heard the words which ended the career of fraud which had netted him, through the now defunct Hearst Music Publishing Co., a fortune.

Mr. Justice Macdonald in passing sentence said never in all his experience had he listened to so many hours of prolific perjury as that given by Hearst when he went in the witness box. To the crime of fraud, and theft, his lordship said, he had added perjury, and this circumstance was taken into consideration, in fixing the sentence. He told Hearst he had brought pain and disgrace on his wife and children, and urged him to use his undoubted talent, when he was once more free, to try and live by honest endeavor.

### Preference Brings New Zealand Safety Razor Business to Canada

Canada has captured part of the New Zealand trade in safety razors as a result of preferential tariffs.

The Durham Duplex Razor Co., a United States corporation with plants in England, France and Canada, doing a world trade, has hitherto supplied that market from the U.S. plant; but the preference gives Canada such an advantage that the U.S. cannot compete and Casimir de Rham, of the parent company, who was here this week, says they have had to transfer that business to Canada, and all razors for New Zealand will now be made in the Toronto factory.

Asked if it would not have been more profitable to fill New Zealand orders from their Sheffield plant, he said that it would not. He explained that these same United States interests now own the 201-year-old Wade & Butcher, Sheffield, England, concern. Like so many other fine old British concerns, it had gone to seed. The older generation had grown rich; the younger generation had not been brought up to hard work and they neglected their business until finally it passed out of their hands. Also, like so many other concerns, it got into the control of some German interests who worked on its reputation, made inferior goods and almost ruined its trade. The American company took hold, restored the quality of the products, are building up the business, and are steadily bringing back the reputation. Although the British are famous as steelmakers and are able to produce, if they would, the finest steel in the world, yet in the case of several grades of these safety razors made in Canada, the British are not up to the mark and the manufacturers are compelled to use Swedish steel. The British—mainly the workers—are refusing to adapt themselves to the newer demands. This is another reason why the Canadian factory is better able to handle this export business.

We *finance* and *refinance*

companies in need of funds for expansion purposes, as well as plan and execute reorganizations, mergers, etc.

We shall be glad to examine and formulate plans for further financing and submit same at no expense to you.

If we can be of service call Elgin 4395-6; ask for Department C.

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Due 1956. Price 98⅜, to yield .......... 4.60%

**MONTREAL TRAMWAYS, 5's**
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**WOODS MANUFACTURING CO. LIMITED, 6's**
Due 1943. Price 100, to yield .......... 6.00%

**ALBERTA PACIFIC GRAIN CO. LIMITED, 6's**
Due 1946. Price 98½, to yield .......... 6.13%

**ST. CATHERINE-STANLEY REALTY CORP. 6½'s**
Due 1946. Price 99, to yield .......... 6.60%

Full particulars regarding these investments on application

HB Founded 1883
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*Investment Securities*
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160 St. James St. MONTREAL
330 Bay Street TORONTO
HB Founded 1883

**The Guardian Assurance Company**
*Established* LIMITED *1821*

The annual general meeting of the Company was held in London on June 1, 1926, when the annual report of the directors was presented to the shareholders.

**FIRE DEPARTMENT**

The Fire Premiums, after deducting re-insurances, amounted to **£1,003,463 4s. 6d.**, as against £921,811 1s. 9d. in 1924 and the Net Losses to **£393,403 7s. 8d.** (39.2 per cent. of the premiums), as against £375,667 5s. 0d. in 1924.

The Expenses of Management, including Fire Brigade Charges and Commission, together amounted to £432,002 17s. 0d., being 43.05 per cent. of the premiums.

After providing for losses, expenses and for the additional premium reserve (£33,120 18s. 10d.) there was a profit on the Trading Account of £144,936 1s. 0d., and with the interest on the Reserve Funds amounting to £55,156 8s. 2d., and Bad Debts recovered of £7,247 9s. 7d., a total surplus on the account of £207,339 18s. 9d. The sum of £10,587 8s. 3d. has been provided for Loss in Exchange, the General Reserve Fund has been increased by £39,200 9s. 0d. and the Balance, amounting to £157,552 1s. 6d., has been transferred to Profit and Loss. The Premium Reserve Fund now amounts to £505,000 and the General Reserve Fund to £805,000, making the Total Fund in this Department £1,310,000.

**FIRE ACCOUNT**

| | £ | s. | d. | | £ | s. | d. |
|---|---|---|---|---|---|---|---|
| Amount of Fund at the beginning of the year, viz.:— | | | | Claims under Policies paid and outstanding | 393,403 | 7 | 8 |
| Reserve for unexpired Risks | 471,879 | 1 | 2 | Commission | 148,798 | 9 | 7 |
| General Reserve Fund | 765,799 | 11 | 0 | Expenses of Management | 273,770 | 11 | 3 |
| Premiums | 1,003,463 | 4 | 6 | Contributions to Fire Brigades | 9,433 | 16 | 2 |
| Interest, dividends and rents (less Income Tax) | 55,156 | 8 | 2 | Loss in Exchange | 10,587 | 8 | 3 |
| Bad Debts recovered | 7,247 | 9 | 7 | Transfer to Profit and Loss Account | 157,552 | 1 | 6 |
| | | | | Amount of Fund at the end of the year, viz.:— | | | |
| | | | | Reserve for unexpired Risks | 505,000 | 0 | 0 |
| | | | | General Reserve Fund | 805,000 | 0 | 0 |
| | £2,303,545 | 14 | 5 | | £2,303,545 | 14 | 5 |

**Funds of the Company as at December 31, 1925**

| | £ | s. | d. | | £ | s. | d. |
|---|---|---|---|---|---|---|---|
| Proprietors' Capital paid up | 1,015,000 | 0 | 0 | Officials' Fidelity Guarantee Fund | 6,912 | 3 | 2 |
| Life Assurance Fund | 5,555,130 | 3 | 7 | Investment Reserve and Contingency Fund | 298,900 | 0 | 0 |
| Fire Insurance Fund | 1,310,000 | 0 | 0 | Profit and Loss Account | 178,941 | 4 | 4 |
| Accident, Burglary, and General Assurance Fund | 492,000 | 0 | 0 | Shareholders' Life Profit Account | 75,000 | 0 | 0 |
| Marine Insurance Fund | 328,641 | 8 | 8 | | | | |
| Redemption Assurance Fund | 156,243 | 3 | 5 | | | | |
| Staff Pensions Fund | 154,156 | 0 | 0 | | £9,570,924 | 3 | 2 |

**Total Assets - £10,988,890**

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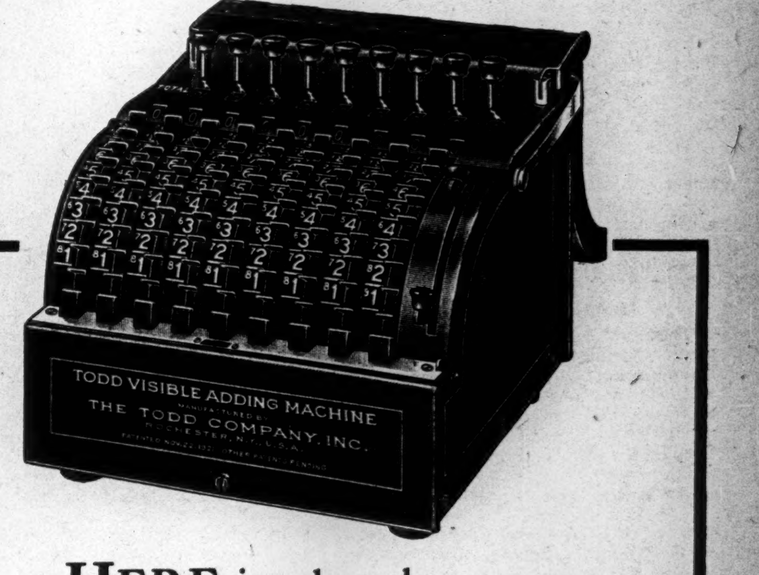

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# News of the Mines: A Department for Executives and Investors

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

## DOME SITUATION PERPLEXES: MAY BE UNDULY DEPRESSED

### Earnings Show Falling Off, However, and Dividend May Be Cut in Future

Dome shares have slipped back to below $12.50. The reason given is the drop in earnings, the half year production figures showing a decline in output from $2,136.967 for six months of 1925 to $1,991,336 in 1926. This is not a serious decline in itself but the quarterly earnings statement for the first three months shows that the hunt for new ore has run up the costs materially and the added costs and the decline in production when added together made a material difference.

From the figures given below it will be seen that the difference in the gross recovery for the first three months was only slightly lower than the same period for the year previous, but the added cost cut the net — before depreciation — by almost $120,000. The second quarter's gross was $60,000 below the first and $120,000 below the same period for last year, and if costs increased in the same proportion, it would mean a drop in net of around $200,000 for the quarter or $320,000 for the half year.

It is generally conceded that Dome at the present time is only earning about half its dividend or $1 per share. It is paying $2.

Gross production by quarters:—

| | 1925 | 1926 |
|---|---|---|
| First 3 months | $1,053,630 | $1,024,094 |
| Second 3 months | 1,083,337 | 967,242 |
| | $2,136,967 | $1,991,336 |

Production by months:

| | 1924 | 1925 | 1926 |
|---|---|---|---|
| January | $26,420 | 351,301 | 348,324 |
| February | $49,299 | 345,478 | 340,885 |
| March | $55,645 | 356,084 | 334,885 |
| April | $58,817 | 354,498 | 311,551 |
| May | $71,055 | 361,175 | 328,028 |
| June | $60,750 | 363,925 | 327,664 |
| July | $61,993 | 364,767 | ..... |
| August | $69,032 | 372,282 | ..... |
| September | ..... | 361,166 | ..... |
| October | $60,698 | 370,005 | ..... |
| November | ...... | 379,990 | ..... |
| December | $61,508 | 377,710 | ..... |
| | $4,307,720 | $4,362,886 | ..... |

#### May Cut Dividend

There has long been a feeling that Dome should have cut its dividend some time ago, despite the fact that there was a $2,000,000 dividend assurance fund. The fact is that Dome's $2 per share dividend has been uncomfortably close to the earnings of the venture for a couple of years and last year with all charges deducted, the dividend was not earned. Dome was really forced into placing the shares on a $2 basis. It was at the time when the fight for control was on and the Bache control put the stock on this basis though the president said just afterwards that it should not have been done and would not have been only for the fight that was waged. The fight has been over a couple of years, however, and earnings have been dropping back.

There is another suspicion and that is, that the earnings of the mine, the statements at the annual meeting and the present position of the stock, do not reflect the true position of the operation. In other words it is believed by many, that the stock has been unduly depressed. This is not the first time that Dome shares have sold down to around $12. It is rather significant that when Dome was selling between $19 and $20 that the heaviest buyers were officials of the Dome mines and their friends. It is known that right at the present moment they are loaded heavily with this high priced Dome stock. They purchased it, believing that the shares were a good speculation because of the outlook of the property and the great possibilities that existed for the opening of the mine below the sediments. It is not believed that the position of the operation has become one iota worse since than it was then.

#### Dome and Red Lake

There has been a lot of talk in regard to Dome and the Howie Red Lake property. There has been some criticism of the company over the fact that whereas no announcement was made in regard to developments on the Red Lake claims, that immediately after the directors meeting, an order was placed for a mining plant.

The fact is that this move on the part of the company is regarded by mining men as reasonable. It is believed that Dome is not as yet satisfied with the developments of the property but believes that the diamond drilling results warrant further development. Dome's next payment is not due until December 1, and our information is that the directors' decision was to put in a mining plant, drive a shaft down to 100 feet as fast as possible and do as much lateral work as possible before the time arrives for a decision one way or another on the payment. This decision, if true, would indicate that the diamond drill results show that at a depth of 100 feet the values are worth this further testing out.

#### An Important Matter

The Dome situation is interesting to shareholders in Dome, to holders of Howie units as well as to holders of share or interests in other Red Lake properties. They all hope that Dome will take up the option. It is quite possible that if Dome throws up the property that a better deal might be made. On the other hand this may not be possible and in the interval, if Dome drops out, it will give the camp a black-eye that will take some time to erase. There is a lot of marking time waiting to see what is uncovered on the Howie. The Dunlop groups and McIntyre are making a real effort. The other big companies are not making any move which would tend to support the feeling that is quite general that the big companies were influenced in taking up claims. They certainly did not rush into the Quebec field like they are supposed to have done in Red Lake.

## $45 Copper Body Found in Clericy Tp. by Archean Co.

A highly important copper discovery is reported from the Archean Mines Limited, operating in Clericy Township, Northwestern Quebec.

This is the property controlled by Dr. Robert Harvie. The new discovery, on one of the centre claims, reveals a chalcopyrite body running up to twenty feet in width and which has been opened in six test pits for a length of 600 feet and the copper content of which shows an average of $45. Assays for gold have not as yet been made.

This is the second important discovery which has been made on the group. In the former, copper content ran as high as $90.

## "SMELTERS" OUTPUT IS MUCH INCREASED

### Half-Year Figures Should Encourage Shareholders—Increases All Round

From Our Own Correspondent.

MONTREAL.—According to the production report of the Consolidated Mining and Smelting Company, the output during the first half of the present year shows increases in all grades of the company's mineral production. It will be recalled that the president at the annual meeting held early in April gave out the production figures for the first quarter of the year; thus it is possible to compare not only the production during the six months period, but the output by quarters. The figures follow:

| Six Months' Period | | | |
|---|---|---|---|
| Last year: | 1926 | 1925 | Inc. |
| Lead (tons) | 61,265 | 45,682 | 15,583 |
| Zinc (tons) | 29,843 | 15,711 | 14,132 |
| Copper (tons) | 5,461 | ...... | 5,461 |
| Gold (oz.) | 27,726 | 8,179 | 19,547 |
| Silver (oz.) | 3,306,359 | 1,595,983 | 1,710,376 |
| 2nd Quarter | | | |
| | 1926 | 1925 | Inc. |
| Lead (tons) | 30,657 | 25,619 | 5,038 |
| Zinc (tons) | 15,664 | 7,716 | 7,948 |
| Copper (tons) | 3,267 | ...... | 3,267 |
| Gold (oz.) | 15,251 | 2,565 | 12,686 |
| Silver (oz.) | 1,515,601 | 719,919 | 795,682 |
| 1st Quarter | | | |
| | 1926 | 1925 | Inc. |
| Lead (tons) | 30,608 | 20,063 | 10,545 |
| Zinc (tons) | 14,179 | 7,995 | 6,184 |
| Copper (tons) | 2,194 | ...... | 2,194 |
| Gold (oz.) | 12,475 | 5,614 | 6,861 |
| Silver (oz.) | 1,790,758 | 876,064 | 914,694 |

1st and 2nd Quarter, 1926

| | 2nd Quarter | 1st Quarter |
|---|---|---|
| Lead (tons) | 30,657 | 30,608 |
| Zinc (tons) | 15,664 | 14,179 |
| Copper (tons) | 3,267 | 2,194 |
| Gold (oz.) | 15,251 | 12,475 |
| Silver (oz.) | 1,515,601 | 1,790,758 |

#### The Second Quarter Better

As the company is now operating its completed plant, the gains between the first and second quarters are less striking than the comparisons with the preceding year; nevertheless, it is worthy of note that with the exception of silver, production of all metals in the second quarter were in excess of the first three months period.

In examining these figures there is one point which should not be overlooked, namely, the somewhat improved position of the markets for the two chief branches of the company's output, lead and zinc. It was thought earlier in the year that a decline was likely to set in in the markets for both these metals and prices did ease off, but not to an extent which would offset the large increase in production. Now, however, the markets are stronger and it is thought that the average prices which will be obtained for lead and zinc will measure up to the level set in 1925.

In a measure, production figures indicate earnings—but not always. For instance, "Smelters" produced three times as much gold in the first six months period of 1926 as in the first half of 1925; yet it may not have made as great a profit from this source as last year, for mining costs may have risen, or lower grade ore may have been utilized. The company obtains $20 for every ounce of gold which comes from its mills, but costs may have risen to a point where the production of gold is only barely profitable.

#### Optimism Is Justified

However, any doleful attitude about the results which have been obtained is out of place in view of the declaration of the $3 bonus at the end of the half year by a directorate which is generally regarded as being more than unusually conservative. But it is worth while making the broad point that production provides no accurate measure of earnings; these may not have increased correspondingly, but on the other hand, they may have shown a gain out of all proportion to the large increase in output.

Through its development program of the last two years, the company appears to be in a position to reap to the full the benefit of its vast ore reserves. Milling and mining capacities have been increased; ore treating methods have been improved; more by-products are being utilized, and the large concentrator at Kimberley all combine to place the company in a position in which it can obtain the utmost farthing in profits from its large and varied production.

How all this will be reflected in earnings depends principally on the prevailing prices for its production and also in the general luck which is experienced in finding ore bodies which may be mined at a minimum of cost.

#### TONOPAH MILL READY IN AUGUST

Expectations are that Tonopah's mill on the Walsh property, Gowganda, will be ready to run late in August. The same mill will take care of production from the Morrison property, which is opening up exceptionally well.

## BLOOM LAKE AREA TO BE TESTED OUT BY DIAMOND DRILL

### Spectacular Silver Showings in Test Pits Lead to New Campaign

Horace Strong, M.E., has prepared a report on Bloom Lake Consolidated Mines, Gowganda group, and, as a result of his recommendations, diamond drilling of the property will be undertaken. The Bloom Lake property is decidedly interesting, having a large number of veins with numerous spectacular showings of smaltite, cobalt, and leaf silver. There are two tremendous high hills on the property, which is located on Bloom Lake in the northern section of Gowganda. On what is known as the South hill, Mgr. W. Shields has been doing considerable work in preparation for the diamond drill, and his effort is revealing results that justify the previous interesting showings. He says:

"Operations have been exceptionally good. We are opening up the most complete vein system that there has yet been opend on the property. The whole hill top for several hundred feet, in the neighborhood of the silver vein, is fractured and fissured to such an extent that I feel this layout is of very great importance. Blasting in seams or tight fissures which look dry and barren on the surface is showing a rich mineralization, wherever shot into, of cobalt, niccolite, etc., and in several places native silver, also smaltite which looks as though it would carry high values in silver. I believe we are getting the key to the whole situation and it is just a question of following it up by careful prospecting, trenching and opening by blasting everything we run across as there is no question the further we go the more encouragement we are getting. The ore is there and all that is needed is to dig it up."

Mr. Strong in his report says that pronounced structural features are plainly evident on the southerly portion of the property, one of these being a strong east and west fault with an apparent horizontal displacement of approximately 1,400 ft. The zone of major fracturing seems to be 1,000-ft. range, north and south from the main east and west fault, and the most interesting points exposed exist on an area adjacent to the boundary between the two southerly claims. Some 12 or more veins were examined. In the ground west of the camp, and south of the main fault, interesting conditions are noted. The outcrops as noted are all situated on the top of the diabase sill or within 100-ft. range of what was originally the upper contact, and at this horizon some native silver can be seen, but the most important point is the evidence of curved fracturing having contortion or other disturbance with axis normal to the dip of the diabase. This condition seems to be an ore maker in Gowganda area, and it is most important to explore the veins (showing silver on surface and having the above referred to structure) at depth of at least 300 ft. below the upper contact.

Diamond drilling has been resorted to in similar conditions in the Gowganda camp with very fair success, particularly, it is reported, at the Miller-Lake-O'Brien. The condition as exposed on the Bloom Lake property seems admirably adapted to the use of the diamond drill, and it would seem to be the most reasonable way, with modest expenditure, to secure some more or less definite results.

Mr. Strong recommends the expenditure of $12,000 to $15,000, and outlines four holes. He wants to have what seems to be the most favorable horizon of the camp tested out, 200 to 400 ft.

The Bloom Lake area of the Gowganda camp is the section that was first staked. It has been neglected for some years. Recently the Haultain Co. undertook an aggressive mining effort in that section, and the Bloom Lake Co., located to the north, followed. The interesting showings that have been unearthed on these two properties have focused a lot of attention on the area, especially as the mining is being carried on in an aggressive manner and under the supervision of capable engineers.

#### TECK-HUGHES

It is expected that in the next couple of weeks important news in regard Teck Hughes will be forthcoming. The company is negotiating for a new power contract and when this is complete it is expected that the new mill announcement will be forthcoming.

#### HECLA MINING IN B. C.

Hecla Mining Co., Wallace, Idaho, has paid $15,000 on a $75,000 option price on the Imperial group at Rock Creek, Boundary District, B. C. A high-grade body with a 10-ft. face has been opened up.

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## Goudreau is Reported Sampled by Summerhayes

There are reports about that litigation may arise out of the Goudreau Gold Mines operation. Nothing has been announced officially. It is reported that Maurice Summerhays, mining engineer, recently sampled the property. His report will be of wide interest when made public owing to conflicting reports regarding the amount of ore in sight. There are reports that substantial ore reserves were claimed when some of the stock was sold and that these figures are now being questioned.

## RICH PLACER FIND IN CARIBOO SECTION

### Primitive Operation Brings to Light $12,000 in Gold in Four Days

NELSON.—An important placer gold discovery which gave up $12,000 in gold in four days has been made on Cedar Creek in the Cariboo Country. Included was a $305 gold nugget.

The gold was recovered by Bernard Boe from the Stevens-Sheridan lease, on the top of Cedar mountain. This property is controlled by the Murray-McGregor Mining Company. Both these companies are controlled by Vancouver people, A. S. Matthews being president of the Cedar Creek Company and D. Ivor Lewis, president of the Murray-McGregor Company.

Last spring a former operator of the Cedar Creek Mining Company told Western Canada Mining News that there was much gold to come out of Cedar Creek, and stated that as soon as the Cedar Creek Mining Company got well under way that it would have a profitable operation. Mr. Boe's success is an indication of the wealth of this placer ground. He has been working in a comparatively primitive way since the first of this year and the expense of operations so far is chiefly labor.

Up to a month ago, five men were employed, but this was increased to thirty. Difficulty presented itself in getting water to the ground to be sluiced, but this was successfully accomplished, pumping being relied on. As it is now, the water finds its way back to the storage dams and is again pumped up the hill.

Wherever water is available, placer operations are again being resumed in Cariboo and many rich sections which were not worked in the days when Cariboo attracted miners from all parts of the world, will give up their quota of gold.

#### SYLVANITE

Sylvanite Gold Mines Ltd. capitalization has been increased by 300,000 shares to provide funds for the building of a mill. The re-elected directors are Oliver Cabana, Jr., R. Hochstetter, C. L. Ingham, E. L. Koons, W. S. Marcy, J. Y. Murdoch and A. Wende. Two others are to be added.

#### NEW PROSPECTING VENTURE

Homer L. Gibson & Co., Toronto, announces the organization of Mineral Explorations Limited, a prospecting operation which will be in charge of W. C. (Bill) Offer, an old-time prospector and operator of the north.

#### HOLLINGER EXPANDS

MONTREAL.—The Hollinger Consolidated Gold Mines is to increase its primary crushing capacity by about 50 per cent. This is to be accomplished by the addition of three new large rod mills; the contract has already been placed with William Hamilton, Ltd.

#### RICH, NARROW SHOOT

Noranda is reported to have drifted about 40 feet on a high-grade gold shoot, a foot wide, but is carrying gold values which compare with the best ever discovered. Some specimens are literally 10 per cent. gold. A large part of it carries around $10,000 to the ton, some of it a great deal more.

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## HURONIAN BELT INTERESTS WIDEN SCOPE OF EFFORT

### Pioneer Mining Co. Has Large Holdings and $500,000 Cash in Treasury

Details of the incorporation of Pioneer Mining Co., which has acquired the assets of three exploration syndicates, are announced. It centres around the Huronian Belt Co. with F. H. Hamilton, chairman of Huronian Belt, as president, and Dr. J. Mackintosh Bell as managing director.

It has taken over the assets of Pioneer Syndicate, operating in the Goudreau country, Keewatin Mining Syndicate, operating in South Lorrain, and Pre-Cambrian-Shield Exploration, Boston. These have claims in Quebec and Ontario. Huronian Belt will have charge of the technical and secretarial management.

The new company is capitalized at $5,000,000. Shares $1 par and 1,675,000 issued. Among the assets are 303,000 shares in Cooper Gold Mines, capital $2,000,000, issued 1,188,000, and an option on 1,524,994 at prices ranging from 25c. to $1.00. The Cooper owns 26 claims in Michipocoten and good results have been secured from the operation to date.

In addition the company owns 27 claims adjoining which were the assets of Pioneer Syndicate; half interest in 18 claims in Red Lake and an option on 17 claims; 4 claims in Michipocoten at Michi Biju; 390,000 shares British Porcupine Mines, capital $2,500,000, issued $1,750,000 with 4 claims adjoining Vipond and Hollinger, the old Thompson-Krist Porcupine Crown groups; option on Arntfield East group, Boischatel, Que.; 975 acres adjoining Federal Zinc Mines, Gaspe, Que.; base metal discovery in Great Slave Lake.

The entire issued capital, except 9 shares, has been subscribed for in full by Pioneer Syndicate and $837,504 paid. The purchase consideration was $337,500 and cost for working capital is $500,000. Pioneer Syndicate gets an option on 250,000 shares at 75c., which will provide another $187,500.

Shares will be introduced in Toronto on the Toronto Stock Exchange at the same time as they are introduced in London, Eng.

Ore receipts at the Trail Smelter of the Consolidated Mining & Smelting Co., for the period June 15, to June 21, inclusive, totalled 11,739 tons, and for the year to date 258,073 tons.

#### HIGH GRADE AT NEW DEPTH

Drifting 400 feet west of the shaft on the 625-ft. level of Castle Trethewey is taking out high grade from a 3 to 6-inch vein.

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# News of the Mines

## McLEOD 2 WATCHED CLOSELY: MAY BLOW IN ANY DAY NOW

### Casing Head Gasoline Taken Off When Well Filled With Water

Calgary expects McLeod No. 2 well to blow in any time. It may come soon, it may take days or weeks. No one knows. The drill is now about 60 feet into the limestone at a depth of 3,645 feet. The formation is very hard. Drilling into the limestone has been going on two weeks now since the casing was cemented up and tested out under the supervision of Government officials. The well was tested out under water pressure and when this was done it was found that the gas expansion on release had caused it to drop a big quantity of casing lead gasoline on top of the water. Several barrels of this were taken off. The expansion also caused the pipes to become coated with white frost similar to that around Royalite No. 4. Drilling is proceeding with the holes full of water to hold down the gas pressure as much as possible. The high pressure pumps have now been installed at Illinois-Alberta and the cementing of the casing started.

CALGARY.—Foot by foot the McLeod No. 2 well in Turner Valley field, 45 miles south-west of Calgary, is being driven into the limestone formation in which Royalite No. 4 struck a naphtha gusher.

The end of the week found the well at a depth of 3,639 feet, or 53 feet into the limestone. So hard is the formation that it took six hours drilling to make the last foot of hole. Through this extremely hard shell developments are expected.

**New Well Started**

Three-quarters south of the McLeod No. 2 well, the Signal Company spudded in a new well on Dominion Day, July 1. Much interest attaches to the drilling of this well, which is located about the same distance west of the centre of the axis as is McLeod No. 2 and approximately a mile and a quarter south of Royalite No. 4. Alberta's liquor law providing the facilities, the spudding bit was christened with the contents of a bottle of champagne.

The Moose Mountain field was the centre of interest last week when the Signal Hill company spudded in its new No. 2 well. The equipment for the drilling of this hole is the last word in heavy standard rigs. The Moose Mountain field is believed to be a continuation of Turner Valley structures, lying north and west of the latter.

At the Cooper-Nanton well in Turner Valley three-quarters of a mile southeast of Royalite No. 4, the crew is making good progress with large hole, having twenty-inch casing down nearly 200 feet.

**Activity in the South**

At Advance No. 2, in the southern end of the field, the crew is waiting for the cement to set their 20 inch casing at a depth of 210 feet. Nearby, the Dalls crew is still swedging casing, with 1,800 feet of hole made. They expect to begin running 12½ inch casing this week. At the Home well, another of the southern group, good progress is being made. The hole is approximately 1,100 feet deep.

At the British Dominion well in Turner Valley the crew has cemented in the 20 inch casing at a depth of 200 feet.

At Dalhousie No. 1 well, which is believed to be "sitting" on the limestone, the big cementing job has been completed and the crew is ready to drill through from 3,480 feet. The well was blowing light oil by heads when the cementing work was started.

**Near Their Goal**

Waiting for the cement to harden that sets their 4¾ inch casing on the limestone, the crew at Illinois-Alberta well is taking a well earned rest. A few days will find them drilling through the cement into the limestone.

The end of last week found the crew at the Vulcan well with a fishing job on hand, the string having parted when the hole was down 4,890 feet.

Dalhousie No. 5, the new well started by this company, is making good progress with early work. Dalhousie No. 3 crew is still at work pulling old casing, which will be replaced by new 6¼ inch seamless casing.

### MINING STOCK QUOTATIONS
Week Ending July 6

| | High for wk. | Low for wk. | Close July 6 | Close June 28 | Sales for wk. |
|---|---|---|---|---|---|
| Algonquin | 7 | 2½ | 6¾ | 1¼ | 245100 |
| Amulet | 1.35 | 1.26 | 1.26 | 1.33 | 51909 |
| Apex | 3 | 3 | 3 | 3 | 2000 |
| Area | 28 | 24 | 28 | 26 | 7300 |
| Argo. Cons. | 21½ | 19½ | 20¼ | 20 | 80850 |
| Atlas | 2¾ | 2¼ | 2½ | 2 | 2500 |
| Baldwin | 2¾ | 2 | 2½ | 2⅝ | 66500 |
| Barry Holl. | 48 | 47 | 48 | 47 | 74600 |
| Beaver | 81 | 76½ | 80 | 75½ | 46400 |
| Bidgood | 5½ | 5 | 5 | 5 | 2000 |
| Boston Creek | 2½ | 2¼ | 2½ | 2½ | 10500 |
| Bourlam. | 10.00 | 9.95 | 9.95 | 9.95 | 950 |
| Buckingham | 3½ | 3 | 3 | 3 | 6000 |
| Can. Lorrain | 93 | 90 | 92 | 91½ | 24555 |
| Capitol | 36 | 34½ | 36 | 34 | 17900 |
| Castle Tre. | 1.49 | 1.44 | 1.45 | 1.45 | 119981 |
| Chaput H. | 6¼ | 6¼ | 6¼ | 7 | 200 |
| Clifton | 1¾ | 1¾ | 1¾ | 2 | 1750 |
| Coniagas | 3.70 | 3.60 | 3.60 | 3.70 | 1600 |
| Coniar'm. | 3.30 | 3.30 | 3.30 | 3.50 | 432 |
| Col. Kirkland | 3¼ | 3 | 3¼ | 3¼ | 32000 |
| Cons. Smelters | 216 | 211½ | 215 | 210 | 15478 |
| Cons. W. Dome | 16½ | 14¾ | 15¼ | 14¾ | 81700 |
| Crown Res. | 10 | 9 | 10 | 9 | 30270 |
| Dome Mines | 13.90 | 12.50 | 12.50 | 13.50 | 8169 |
| Don Rouyn | 32 | 24 | 32 | 31 | 10250 |
| Dupuy | 36 | 30 | 30 | 32 | 29500 |
| Everett | 6¾ | 6⅛ | 6¾ | 6 | 6600 |
| Gold Hill | 65 | 48½ | 61 | 48 | 211428 |
| Goldale | 27¾ | 27 | 27¾ | 27 | 6200 |
| Gold Reef | 2 | 2 | 2 | 2 | 3700 |
| Gladstone | 41 | 41 | 41 | 41 | 100 |
| Hattie Pref. | ½ | ½ | ½ | ¾ | 1000 |
| Hollinger | 19.75 | 19.25 | 19.40 | 19.90 | 2855 |
| Inter. Nic. c. | 38 | 36 | 37½ | 35½ | 1080 |
| Kirk. Hunton | 11 | 8½ | 9 | 10 | 33800 |
| Keeley | 1.45 | 1.42 | 1.42 | 1.43 | 6750 |
| Keora | 7 | 6½ | 6½ | 6½ | 15850 |
| Kirk. Lake | 1.05 | .99 | 1.01 | 1.05 | 59450 |
| Lakeside | 4½ | 3¼ | 4¼ | 3½ | 26100 |
| Lake Shore | 11.40 | 11.15 | 11.40 | 11.35 | 2528 |
| La Rose | 12½ | 10 | 12 | 12 | 2400 |
| Lorrain | 3½ | 3 | 3¼ | 3 | 25000 |
| Laval | 26 | 24¾ | 24¾ | 26 | 19880 |
| McKinley | 16¼ | 15 | 15 | 16 | 11033 |
| McIntyre | 25.30 | 24.95 | 25.00 | 25.30 | 2377 |
| Millcrest | 10½ | 10 | 10 | 12 | 9600 |
| Mining C. | 3.55 | 3.40 | 3.40 | 3.56 | 5200 |
| Moneta | 15 | 15 | 15 | 15 | 2000 |
| Newray | 33 | 33 | 33 | 31 | 1200 |
| Nipissing | 5.45 | 5.15 | 5.15 | 5.40 | 2575 |
| Night Hawk | 6½ | 6½ | 6½ | 6 | 2100 |
| Noranda | 15.40 | 15.00 | 15.20 | 15.05 | 20809 |
| Ophir | 2 | 1¾ | 2 | 1¾ | 8000 |
| Pete. Lake | 3½ | 3¼ | 3½ | 3⅞ | 10500 |
| Pioneer | .68 | .66 | .67 | .. | 23100 |
| Porc. Crown | 5¼ | 5⅛ | 5⅛ | 7 | 2500 |
| Premier Gold | 2.08 | 2.05 | 2.05 | 2.05 | 3650 |
| Preston | 7¼ | 6 | 6⅞ | 6¾ | 33500 |
| Rouyn | 2⅞ | 2¾ | 2¾ | 2 | 8000 |
| Rouyn, Que. | 1½ | 1½ | 1½ | 1⅞ | 5000 |
| Stadacona | 42 | 41 | 41 | 41 | 38500 |
| Teck Hughes | 3.75 | 3.62 | 3.70 | 3.62 | 53145 |
| Thomp. Krist | 1¼ | 1 | 1 | 1½ | 2000 |
| Tough Oakes | 41½ | 38 | 38 | 40 | 11050 |
| Timiskaming | 10 | 10 | 10 | 11 | 250 |
| Vic. Silver | 5¼ | 5 | 5¼ | 7 | 7000 |
| Vickers | 39 | 39 | 39 | 37 | 500 |
| Vipond Cons. | 1.76 | 1.69 | 1.72 | 1.72 | 30298 |
| Wakenda | 2½ | 2 | 2 | 2½ | 14500 |
| Wasapika | 1½ | 1½ | 1¼ | 1½ | 2000 |
| West Tree | 3 | 2½ | 2½ | 3 | 3500 |
| Wright Har. | 8.40 | 8.25 | 8.40 | 8.35 | 530 |

## HIGH RIVER AGAIN A DRILLING CENTRE

### Imperial, Belgo-Canadian and High River Oils Will Explore Section

With the substantial beginning of operations to the west of High River by the Imperial Oil Company on the Sam Smith properties, where already the camp is completed and materials for derricks and other equipment is being delivered, and with the Belgo-Canadian now operating the old Record well to the west of Longview, with proposed plans of drilling a number of new wells on their property there, and again with the determined well of the High River Oilfields Co., Limited, in the town of High River, it looks as if we here would be the centre of good activites, with its consequent influences, before the year 1926 passes out. The Imperial Oil Co. have taken over the Dingman leases of several thousand acres in their locality under agreements to sink several wells. The Belgo-Canadian Co. have also large holdings in their position and according to their prospectus will drill a number of wells there. The High River Oilfields Co., which expected to be started on operations in the old hole of the river bed near the traffic bridge in the town, has been held up pending reorganization under the management of western United States capitalists, who will proceed with operations as soon as such are completed.

## MUCH ACTIVITY IN WAINWRIGHT AREA

### Emerald Oils Likely to be Next Well Brought Into Production

Emerald Oils has been held up on the cementing of its well prior to being drilled through to production, owing to the non-arrival of supplies.

Edmonton-Wainwright has all the equipment on hand for its well and the expectation is that the estimate of 150 barrel well will soon be proved.

The newly organized Kling-Dell refineries have opened an office at Wainwright from which they will carry on operations towards the establishing of a combination refining asphalt and paint plant. It is understood that the refining section of the plant will have a capacity of one thousand barrels per day. Officials advise that active construction work will be under way within 60 days. This industrial plant will be erected by J. D. Wrather, of Long Beach, California. At the present time Mr. Wrather is installing a 3,000-barrel plant at Amarillo, Texas.

The British Wainwright Oil Company expect their timbers within a few days wherewith to erect a derrick on L.S. 13, sec. 20. It is understood that active drilling operations will be carried out on this property, which is a short distance south of British Petroleum's 3-B producer.

The Bethlehem Oil and Refining company expect to have a combination rig and timbers on L.S. 4, sec. 8, which is about two miles south of British Petroleum's 3-B and the Edmonton-Wainwright Producers, and to commence operations at an early date. Information to hand is to the effect that a deep well may be put down on this holding.

D. O. Creille, one of the successful initial drillers in the Wainwright field, is expected back from California within a few days, where he is now looking up rigs for his company, the Anglo-Alberta, also getting data for several other concerns on machines.

At least two concerns representing California capital are negotiating with a view to the establishing of refineries and extracting plant here.

Fast work is being carried on by the Western Consolidated under Chief Driller Hugh Campbell.

### GUGGENHEIMS WATCH RED LAKE

Milton Flynn, jr., New York, representing the Guggenheim interests, who recently took up the Wood group in the East Bay section of Red Lake, is negotiating for further properties in that section. He has also taken up a group in Woman Lake. Red Lake Syndicate, with claims in East Bay, has just sent in a gang of men and a survey party to do some work on their group.

HOWEY RED LAKE

Developments at the Howey property warrant higher prices for Howey units. Mining investors can always get reliable and independent reports of all Red Lake and Quebec issues and on all listed and unlisted mining stocks, either by personal interview, telephone or writing.

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## FOUR IMPORTANT HIGH GRADE FINDS REPORTED IN B.C.

### B.C. Silver and Big Missouri in Limelight—Guggenheim's Lose Out

Very important finds of high grade, gold-silver and the bonanza silver are reported from British Columbia. The gold-silver finds near the Henderson Mine, owned by Duthie Mines, Wallace, Idaho, which the Guggenheim Co., Federal Mining and Smelting, had under option until a year ago. It is in Smithers district and the find was made by F. H. Taylor, a prospector. Values run $17 in gold and 40 ounces of silver.

The silver strike was on B.C. silver, and Western Canada Mining News says that another attractive find was made on Big Missouri, also in Portland Canal area.

The Duthie find is said to be 10 to 14 inches of solid galena through which runs bands of native and ruby silver. The ore averages $90.

The Taylor find is near Topley on Black Mt. and is a quartz-porphyry dyke fully 100-ft. wide and is exposed 300-ft. wide.

B.C. Silver's gold discovery is said to run as high as $3,340 while the Big Missouri strike runs 12.6 ounces of gold with silver values unknown.

The vein on the Big Missouri has a width of four feet, averaging 12.6 ounces of gold, or $252, silver values being additional. The find was made on the Union fraction at the northern end of the property. Besides this find, commercial ore has been found in what is known as the Groundhog tunnel, a depth of 300 feet.

Things are looking well with the Big Missouri. Since the present owners took over the property a year or so ago, $150,000 has been spent, and the expenditure has revealed ore enough for a big mine. Last fall, arrangements were made to instal a mill, and this work is going ahead.

B.C. Silver's strike was made at the bottom of a 50-foot winze at the north end of the main level. The ore had a width of 25 feet, of good commercial value, the high grade shoot running as high as 169 ounces gold.

## TWO PRAIRIE OIL COMPANIES MERGED

### Farmers Oil and High Grade, Saskatchewan Operators Now Known as Puritan Oils

REGINA.—Official announcement is made by W. S. Kirkpatrick, of the merger of the Farmers' Oil Co., of Rouleau and the High Grade Oil Co., of Regina, on July 1, the new company being the Puritan Oil Co. Ltd. W. H. McNurlen, who started the Farmers' Oil Co. at Rouleau several years ago is president of the new company and W. S. Kirkpatrick, secretary and managing director. M. A. Case, who was president of the High-Grade Oil Co., is vice-president and treasurer.

The success that rewarded the energy and business ability put into the Farmers' Oil Co. by it promotor and latterly with the assistance of W. S. Kirkpatrick, carried the business of the company beyond a merely local concern, and their first step in expansion was the acquiring of the Pure Oil Co.'s business and premises in Saskatchewan a couple of years ago placing them in the wholesale field of distribution with a warehouse at Regina, with Mr. Crockett, formerly of the Pure Oil Co., in charge there.

With a growing demand for their products due to their quality and the activity of the sales staff compelled another step forward and in making this the above merger was completed adding another string of tank points to their own line and while Rouleau regrets to lose the head office of the Farmers' Oil Co., yet they should be proud of the success this local company has made.

The Puritan Oil Company, while absorbing all the assets of the Farmers' Oil Company and The High Grade Oil Company, will likewise absorb all existing contracts including the Pure Oil Co. franchise in this province as well as all contracts on refined oils with the Maple Leaf Oil and Refining Co., of Coutts, Alberta, and The Arro Oil and Refining Co., of Lewiston, Montana, placing them in a position of unlimited sources of supply second to none in the marketing of petroleum products in the Province of Saskatchewan.

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You will find the latest information of interest from the above mines reported in the current issue of

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### Says North Ontario Coal Deposit Looks Excellent

Prof. J. W. Russell, Western University, London, has just completed a study of the new coal field on the Metagami River north of Cochrane. Drilling has disclosed two coal seams, the lower at 110-ft. indicates a good grade of soft coal with a width of seam to make it well within profitable mining. This seam is now being opened up by a suitable shaft.

"The land for miles around the claim on which the work is being done has already been taken up as coal lands. From the fossils in the clay experts have definitely placed the deposits to be of lower cretaceous age, and therefore of the same age as the better coals from Alberta and the foothills of the Rockies. The area is quite extensive. It extends—so far as lignite outcroppings may indicate—from the Missanabi to the Abitibi River for a distance of some 50 miles in a northeast direction. As the strata dips toward James Bay, the distance to which the coal may extend in this direction is unknown."

## PETROL OIL ENTERS THE WESTERN FIELD

### Ontario Co. Has Taken Up Leases in Montana and Alberta Areas

Petrol Oil and Gas Co. has entered the western field following a study of the area by J. R. Ness, managing director, having taken up property in Sunburst, Montana field and Alberta.

The Sunburst field has been in operation for three or four years, and its reputation to-day is higher than when the field was first brought in. Hundreds and hundreds of wells have been drilled, some as high as 2,500 barrels per day. Oil leases there have been selling as high as $1,000 per acre, and in some cases 35 per cent. royalty is paid to the owner, in addition to the price for the lease In the Turner Valley as high as $5,000 an acre is being paid for the oil rights.

Petrol Co., in association with others, has acquired the rights on considerable acreage adjoining this Sunburst field, and also a considerable acreage in Alberta, and it is expected that the first well will be commenced in the Sunburst field, in what is practically proven territory, in about two weeks' time.

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## LOOK FOR BETTER THINGS AT BARRY

### Work on 800 and 1,000-foot Levels May Show Better and Richer Ore

Pres. H. C. Crowe, Barry-Hollinger Gold Mine, Boston Creek, says work has reached 1,000-ft. level in the main shaft. Cross-cutting will commence at 800-ft. and he anticipates that the ore zone will be cut within twenty days. Three shifts are working on the cross-cut.

If the same rate of improvement is shown on this level as on the upper levels, he says, a considerable tonnage will be added to the now known ore reserves. Every level has improved from the 100 ft. to the 600 ft. level, and with the syenite porphyry coming in on the 600 ft. level, the officials anticipate improvement not only in the grade of the ore, but in the width and length on the 800 ft. and 1,000 ft. levels.

A new electric hoist is on order from the Canadian Ingersoll-Rand Co. and will be delivered and ready for installing by August 1. This will handle a load of 6,000 lbs. to a depth of 1,500 ft.

The 150 ton mill is well under way and will be operating within three weeks and the president says there is enough ore blocked out to keep the increased mill running to capacity for at least one year.

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WORTHWHILE results are officially reported as being recorded in these producing mines as development work reaches greater depth. This factor should warrant a marking up in market prices.

Possession of this information is important before these anticipated advances occur.

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# Companies That Make Up British Empire Steel Group

BY A process of mergers, many companies have been brought together to form the British Empire Steel Corporation, chief actor in the present drama of crisis for Nova Scotia's steel and coal industries.

These companies are:

### CONSTITUENT COMPANIES

### DOMINION STEEL CORPORATION LTD.

Which holds all the common shares of the following companies:

**Dominion Coal Co., Ltd.**

Owning and operating sixteen collieries in Cape Breton; the Sydney & Louisburg Ry.; shipping piers at Sydney and Louisburg; receiving and distributing stations at Halifax, N. S., St. John, N. B., Quebec, Three Rivers and Montreal, P. Q.; tugs, harbor barges, etc.

**Dominion Iron and Steel Co., Ltd.**

Owning and operating iron ore mines at Wabana, Newfoundland, Limestone properties at Marble Mountains, N. S., and at Port au Port, Newfoundland; coke ovens, blast furnaces, steelworks and mills at Sydney, N. S.

**Cumberland Railway & Coal Co.**

Owning and operating three collieries at Springhill, N. S.; Cumberland Railway from Springhill Junction to Parrsborough, N. S.

**Dominion Shipping Co., Ltd.**

Owning and operating a fleet of 12 cargo-carrying steamships with an aggregate deadweight capacity of about 68,000 tons.

**James Pender & Co., Ltd.**

Manufacturers of wire, nails, fencing, etc., at St. John, N. B.

**Sydney Lumber Co., Ltd.**

Manufacturers of lumber, shooks, laths, etc., at Dalhousie, N. B.

### NOVA SCOTIA STEEL & COAL CO., LTD.

Owning and operating four collieries at Sydney Mines, N. S., iron ore mines at Wabana, Newfoundland, Limestone and Dolomite properties in Cape Breton, blast furnace and steel works at Sydney Mines, N. S., mills and manufacturing works at Trenton, N. S.

Through holdings of their capital stock the Nova Scotia Steel & Coal Co. Ltd., controls the following subsidiary companies:

**Eastern Car Co., Ltd.**

Manufacturers of standard railway cars and other rolling stock at Trenton, N. S.

**Acadia Coal Co., Ltd.**

Owning and operating five collieries in Pictou County, N. S.

**Wasis Steamship Co., Ltd.**

Owning and operating two steel cargo-carrying ships;

### NOVA SCOTIA LAND CO., LTD.

In which is vested a tract of land at Sydney Mines upon which are erected fifty-three detached dwellings.

### HALIFAX SHIPYARDS LTD.

Owning and operating a dry dock and extensive shipbuilding and repair plant at Halifax, N. S., marine railway and shops at Darmouth in Halifax Harbor, N. S.; tugs floating crane, etc.

An outside estimate of the resources of the company places the iron ore at Wabana at from 3,635,000,000 to 5,000,000,000 tons (sufficient to supply the consumption of North America at the present rate per annum for 500 years). In addition to the possibility of its use in America, this ore from its position has unsurpassed advantages with respect to the European market.

Its coal areas in Cape Breton, Cumberland and Pictou Counties in Nova Scotia are estimated to contain 5,000,000,000 tons or sufficient to supply the present rate of production for over 700 years.

The following table shows the potential output in the various departments:

| | tons |
|---|---|
| Coal | 7,000,000 |
| Iron ore | 5,000,000 |
| Pig iron | 500,000 |
| Ingots | 480,000 |
| Bars | 180,000 |
| Rails | 200,000 |

as well as other forms of finished steel.

Steel railway cars, 9,000 cars per year.

Shipping owned 68,000 tons deadweight.

The company's ship repairing dock at Halifax is the most readily accessible in British North America.

# *Over One-Third of Nova Scotia Lives off Besco*

The coal and steel industries of Nova Scotia are the back-bone, not only of the industrial life of the province, but of its wealth as a whole.

The Province of Nova Scotia is largely dependent upon these industries which are the main, and in some instances, the sole support of the population in important centres.

This will be easily understood when it is considered that from 20,000 to 25,000 men are employed in the mining of coal and its associated industries—the actual number depending upon the degree of activity that may be possible—and that directly dependent on these there are not less than 100,000 to 125,000 people, or more than one-fifth of the population of the province. Adding those indirectly dependent it will be seen that over a third of Nova Scotia's people are vitally affected by coal and steel depression or prosperity.

The last census returns show that only in the towns and cities where there has been a development of coal mining and steel manufacture has there been any increase in population. But for the existence of these industries the population of Nova Scotia would have shown a decrease, from which fact the serious nature of continued unemployment in these centres may be uderstood.

### Revenues for Farmers

Farmers, as well as workers and merchants, are watching the present struggle of the industry.

In an ordinary year the foodstuffs and other farm produce required to supply the wants of the employees and dependents of the industry may amount to more than $6,500,000 estimated as follows:

| | | |
|---|---|---|
| Flour and breadstuffs | 200,000,000 lbs. | $1,200,000 |
| Meat of all kinds | 8,000,000 lbs. | 1,920,000 |
| Eggs | 1,360,000 doz. | 680,000 |
| Milk | 4,000,000 qts. | 480,000 |
| Butter and cheese | 3,400,000 lbs. | 1,360,000 |
| Potatoes and other vegetables | 500,000 bus. | 450,000 |
| Horses and horse feed | | 250,000 |
| Other farm produce | | 170,000 |
| | | $6,510,000 |

This money is paid out of wages totalling $27,500,000 yearly to the 21,500 employees of the various units of British Empire Steel Corporation.

The benefits direct and indirect from the employment of so large a number of workers and the circulation of the large amount paid to them for their service and disbursed by them in payment for the food and clothing and other commodities required for themselves and their dependents, for municipal taxes, for luxuries and pleasures and for the thousand and one items upon which people spend their earnings and upon which general business thrives, cannot be estimated. The business men in Nova Scotia and indeed all over Canada know what it means. They know what happens when employment slackens and wage payments shrink. It means shrinkage all along the line from the local storekeeper to the miller or the clothing factory, or the farmer. When the process is too long continued it means widespread bankruptcy.

### Municipal Taxes Paid

Frequent reference is made to the amount which companies in the field contribute to revenues of the province of Nova Scotia and people generally are well informed about its importance. Only incidental reference is made to the amounts that these companies contribute to the revenues of the several municipalities in which their properties are situated although, all things considered, they are perhaps proportionally more important than the royalty which is paid to the province.

In the year 1924 payments by the coal and steel companies to municipalities in Nova Scotia, amounted to $401,357.16.

These payments were as follows:

| | |
|---|---|
| Dominion Coal Co. | $266,027.28 |
| Dominion Iron & Steel Co. | 12,449.20 |
| N. S. Steel & Coal Co. | 82,103.26 |
| Acadia Coal Co. | 28,590.34 |
| Cumberland Rly. & Coal Co. | 12,187.08 |
| | $401,357.16 |

In most of the municipalities the companies pay a very large proportion of the whole tax, and in none of them have the companies any representation on the councils, which regulate the expenditures and fix the taxation.

The following table indicates the percentage of taxes paid by the companies in the places where their most important mines and works are situated:

| Town | per cent. |
|---|---|
| Glace Bay | 49.0 |
| New Waterford | 68.9 |
| Dominion | 66.6 |
| Sydney Mines | 42.5 |
| Stellarton | 28.7 |
| Trenton | 34.8 |
| Springhill | 25.1 |
| County of Cape Breton | 30.1 |

## Details of Million-Dollar Massey Estate

According to the statement of National Trust Co., the late Chester Daniel Massey left an estate of $1,005,213: Cash, $2,057; bonds—Dominion of Canada, $88,454; sundry, $5,555; stocks, Bank of Commerce, $21,100; Central Canada Loan & Savings, $6,895; Canada Bread, $15,500; Canadian Rogers, $2,500; American Sales Book, $15,000; Gurney Foundry, $4,500; William A. Rogers, $7,912; Imperial Life, $4,650; National Trust, $73,920; Russell Motor, $771; Massey-Harris, $528,720; sundry, $69,900; total $751,459; real estate, $56,825; miscellaneous assets, $100,862.

The major portion of the estate is represented by shares in the Massey-Harris Co., Ltd. The estate is divided equally between Mr. Massey's two sons, Hon. Vincent Massey and Raymond H. Massey.

In addition to his gifts as senior trustee of the Massey Foundation, it is estimated that the late Mr. Massey during his lifetime gave away from his own estate over a million and a quarter dollars for religious and charitable purposes.

### NEW BRUNSWICK FISHERIES

SAINT JOHN.—The fisheries production of New Brunswick in 1925 had a total value of $4,798,589, according to a report issued by the Bureau of Statistics. The value of production of the lobster, sardine, smelt, cod, salmon and herring fisheries, together, in 1925, was $4,130,121, or 86 per cent. of the total value.

### RABBIT RANCH IN N. B.

FREDERICTON. — New Brunswick Rabbitres, Ltd., capitalized at $5,000, is the name of a company incorporated for a new enterprise in the fur raising industry in this province. The company has been formed to carry on the commercial breeding of Chinchilla rabbits at a farm on the Royal Road near here. A foundation stock of 60 Chinchilla rabbits has been imported from England.

# Besco Securities Except First Bonds Will be Reduced

(Continued from page 1)

time would prove harmful to the shareholders, but that it would be used as a guide in arranging the re-organization. He declared that the late prime minister had referred to Mr. Robb who stated that he was already familiar with the contents of the Coverdale report. Mr. Wolvin said that it had been impossible to formulate the re-organization plan quickly as it was necessary to obtain the views of various security holders who were scattered all over the world and reviewed briefly some of the causes leading up to the present plight of the corporation. He dealt also with the present financial position of the corporation which, he said, was precluded from borrowing from the banks because the latter do not lend on fixed assets, only receivables and the corporation has already reached its credit limits on these assets.

There were others who spoke briefly; some upheld the management and others did not. The latter speeches for the most part lacked interest as in some cases the speakers lacked any real knowledge of the situation. For instance, in replying to one critic, the president had to explain that the only assets which Besco owned were the shares in the various component companies.

### Bond Issues in Default

In the meantime, interest on several Besco bonds has been defaulted; these are the first mortgage bonds of Dominion Iron and Steel, the first mortgage bonds and the debentures of the Nova Scotia Steel and Coal.

On September 1 next, the interest on the consolidated mortgage bonds of Dominion Iron and Steel, of which there are $11,674,253 outstanding, falls due. This also will be defaulted. There are, however, some $4,639,000 of these bonds guaranteed by the Dominion Steel Corporation, the parent company in which Besco holds all the common stock and which in turn owns all the common shares of the Dominion Iron and Steel Co. and the Dominion Coal Co. The latter company makes money and thus the holders of the guaranteed consolidated mortgage bonds of Dominion Iron are in a better position then the holders of those bonds which are not guaranteed. The bonds issued in sterling denominations are not guaranteed, whilst the bonds issued in dollars are.

In the re-organization, it will be seen therefore that the scaling down of such securities as the preference share, of Dominion Iron, Dominion Coal, Dominion Steel and Nova Scotia Steel can hardly be avoided. This in turn must result in an even more drastic writing down of the first and second preferred of Besco, not to mention the even greater reduction in the equity behind the comon shares of the big corporation.

It seems assured that everyone who holds any Besco security—with the exception of the first mortgage bonds of the Dominion Iron and Steel and the Dominion Coal Companies — must be prepared to accept large reductions, one way or another in their holdings, for only in this way the industry will be maintained as a single unit. This may prevent the entire extinction of the steel industry in Nova Scotia and thus benefit the coal companies which would be enabled to continue to find a definite and adjacent market for some of their output.

In his address to the shareholders the president said in part:

"The British Empire Steel Corporation acquired its present subsidiaries in April, 1921. We have since that date passed through the most difficult post-war adjustment period. The purchases of the railroads have been very, very small compared with the heavy purchases during the period of railway and terminals construction prior to the war. General construction in Canada has been much less than before the war.

"During this period of adjustment, the Federal Government has declined to make the necessary tariff changes and every effort to have the miners meet changed conditions has met with strikes and disturbed operation. The labor situation has now improved very much, but the cost of the readjustment and interest on bonds, etc., has materially absorbed the value of the equities in the properties.

"Economies, improved operations and reduced costs have taken place, but it is impossible to meet the situation from that source alone. We need the sympathetic support of the Government and more consideration from our miners.

"In 1925, the United States produced 107½ per cent. of the steel ingots and castings produced in 1920, which was the year prior to the formation of the British Empire Steel Corporation. The total Canadian production in 1925 in Canada was only 54.1 per cent. of its output in 1920, showing that Canada's home production, due to slower business recovery and greater imports, has not equalled the recovery of the United States from the depression experienced in 1921 and 1922. The British Empire Steel Corporation, however, in 1925, produced 66 per cent. of its 1920 output, showing a better recovery than all Canada.

### Collieries Working at Capacity

"The collieries in Cape Breton serving the St. Lawrence River are working at full capacity.

"The coal sales in this market during the season of 1926 exceed by 200,000 tons the combined St. Lawrence shipments of the Dominion Coal Co. and the Nova Scotia Steel and Coal Co. in 1914, which were the largest previous shipments."

"A special committee of the house of commons, appointed to investigate the coal resources of Canada and transportation of the same, has recently made recommendations, among which the following are of especial interest to the coal mining industry in Nova Scotia:

"Encouragement of production of domestic coke from Canadian coal.

"Extension of present duty of 50 cents per ton on bituminous slack coal to anthracite small sizes.

"Consideration by the federal government of the granting of assistance to encourage the enlargement of the markets of Maritime coal.

"Withdrawal of the exemption from duty of foreign coal for bunkering of ships.

"Renewal of the vote in the Federal estimates for the assistance of rail movements of Canadian coal.

"This report is a frank admission of the pressing necessity for action to remedy the difficulties of the producers of coal in Nova Scotia.

"Surely some action will soon be taken by the government. The tariff board should diligently carry on investigation of our presentations. Parliament should immediately provide restrictions on imports from countries with depreciated currencies and remove or adjust the discrimination against the steel industry of Nova Scotia in favor of Ontario. Undoubtedly, the government will prefer to render some assistance to the steel industry of Nova Scotia and retain its native born people in that community than to spend millions to obtain an equal number of immigrants.

### Order for Receiver Granted

The application of the National Trust Company acting on behalf of the bond holders of the Dominion Iron and Steel Co. for a receiver and manager for the concern has been granted by the supreme court of Nova Scotia. The court has authorized the receiver, when appointed, to issue receivers' certificates for the sums to be borrowed for the purpose of carrying on the business. Executives of the National Trust Company have arrived at Sydney to complete arrangements for the Trust Company entering into possession of all the properties of the Dominion Iron and Steel as receiver and manager, in accordance with the order of the supreme court of Nova Scotia.

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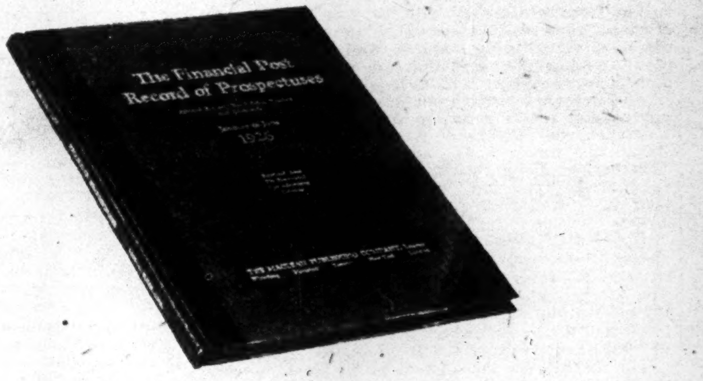

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